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Rockingham County New Hampshire

2002 Annual Report



**This Report Prepared by Your
Rockingham County Commissioners**

**Maureen Barrows, Chair
Ernest P. Barka, Vice Chair
Katharin K. Pratt, Clerk**

December 31, 2002

ROCKINGHAM COUNTY COMMISSIONERS

119 North Road
Brentwood, NH 03833

Maureen Barrows, Chairman
Exter, NH
Ernest P. Barka, Vice Chairman
Derry, NH

Katharin P. Pratt, Clerk
Hampton, NH

Eileen M. Roblee

Executive Assistant to the Commissioners

ELECTED OFFICERS - 2002

COUNTY ATTORNEY

James M. Reams

HIGH SHERIFF

Daniel Linehan

REGISTER OF DEEDS

Cathy Ann Stacey

TREASURER

Edward R. Buck, III

COUNTY DIVISION DIRECTORS

DEPARTMENT OF CORRECTIONS

Gene P. Charron, Superintendent

ENGINEERING & MAINTENANCE SERVICES

Jude Gates, Assistant Director

FINANCE OFFICE

Theresa Young, Director

HUMAN RESOURCES

Martha Roy, Director

HUMAN SERVICES

Diane Gill, Director

NURSING HOME

William F. Sturtevant, Dir. Of Long Term Care

Nancy Lang, Dir. Of Assisted Living

Kim Gauthier, NH Admissions

IT/TELECOMMUNICATIONS

Frank Stoughton, Manager

UNH COOPERATIVE EXTENSION

Rollie Barnaby, Office Administrator

COUNTY CONVENTION OFFICERS

Honorable George N. Katsakiores, Chair
Honorable Sheila T. Francoeur, Vice Chair
Honorable David A. Welch, Clerk

EXECUTIVE COMMITTEE OFFICERS

Honorable Vivian R. Clark, Chair
Mary Griffin, Vice Chair
Honorable David A. Welch, Clerk

DISTRICT 1

Honorable John Flanders
Honorable Rogers J. Johnson
Honorable Norman L. Major
Honorable Thomas Varrell
Honorable Kenneth Weyler

DISTRICT 2

Honorable Ronald Belanger
Honorable Betsy Coes
Honorable Natalie Flanagan
Honorable Kurt Roessner
Honorable Donald Smith

DISTRICT 3

Honorable John Gleason
Honorable Albert Hamel
Honorable Rudy Kobel
Honorable Bob Letourneau
Honorable James Rausch

NH SENATORS, ROCKINGHAM COUNTY

Honorable John S. "Jack" Barnes, Jr.

Honorable Robert Clegg

Honorable Burton J. Cohen

Honorable Iris Estabrook

Honorable Theodore "Ted" Gatsas

Honorable Richard Green

Honorable Charles Morse

Honorable Russell E. Prescott

Honorable Frank Sapareto

Representatives to the General Court

DISTRICT 1

Mary Allen
Maryann Blanchard
Russell Bridle
Kim Casey
Bruce Dearborn
Ron Dupuis
John Flanders
Sheila Francoeur
Thomas Gillick
Daniel Hughes
Jeffrey Gilbert
Jane Kelley
Jane Langley
Norm Major
Richard McCann
Paul McEachern
Benjamin Moore
Rirchard Morriss
Terie Norelli
Michael O'Neil
Laura Pantelakos
Jaqueline Pitts
Rogers Johnson
Walter Ruffner
Stella Scamman
Betsy Shultis
James Splaine
Thomas Varrell
David Welch
Kenneth Weyler
Al Weare

DISTRICT 2

Ronald Belanger
Franklin Bishop
Corey Corbin
Kevin Camm
Vivian Clark
Betsy Coes
Richard Cooney
Donald Smith
Janeen Dalrymple
Bob Davidson
Bob Dodge
James Duffey
Natalie Flanagan
Jim Holland
Russell Ingram
Daniel Itse
Karl Gilbert
John Manning
Marylou Nowe
Richard Noyes
Anne Priestley
Ed Putnam
Matthew Quandt
Kurt Roessner
Arthur Tufts
Matthew Vallone
Norman Weldy
George Winchell

DISTRICT 3

Elbert Bicknell
Harriet Cadby
Sharon Carson
Anthony DiFruscia
Christopher Doyle
Daniel Dumaine
Bob Fesh
George Katsakiores
John Gleason
Kenneth Gould
Mary Griffin
Albert Hamel
James Headd
Karen Hutchinson
Bob Introne
Rudy Kobel
John Langone
Bob Letourneau
Betsy McKinney
Charles McMahon
Phyllis Katsakiores
Sherm Packard
Robert Johnson
James Rausch
Carl Robertson
Joe Stone
Kevin Waterhouse
Robert Wiley
William Zolla

ROCKINGHAM COUNTY CONVENTION

DELEGATION

George N. Katsakiores, *Chairman*
Sheila T. Francoeur, *Vice Chairman*
David A. Welch, *Clerk*



EXECUTIVE COMMITTEE

Vivian R. Clark, *Chairman*
Mary E. Griffin, *Vice Chairman*
David A. Welch, *Clerk*

118 North Road, Brentwood, New Hampshire 03833

Telephone (603) 679-9369

Fax 679-9370 (24 hours)

MINUTES ROCKINGHAM COUNTY DELEGATION MEETING

Wednesday, April 17, 2002
(During session lunch break)
Room 202/204
Legislative Office Building
Concord NH

The members of the Rockingham County Delegation met on Wednesday, April 17, 2002, during session lunch break, at the Legislative Office Building in Concord, NH. The purpose of the meeting was to vote elected officials salaries for the term of office 2003-2004.

Rep. George Katsakiores, Chairman, called the meeting to order at 12:42 p.m. Rep. David a. Welch, Clerk, conducted the roll call.

Those in attendance were: Rep. George Katsakiores, Chairman; Representatives Arndt, Belanger, Blanchard, Boynton, Bridle, Camm, Carson, Case, Chalbeck, V. Clark, Coes, Cooney, Cox, Dairymples, Dearborn, Downing, Dumaine, Flanagan, Flanders, Francoeur, Gilbert, Giordano, Gleason, Griffin, Hamel, Holland, Introne, Itse, Johnson, P. Katsakiores, Kelley, Langley, Langone, Letourneau, Major, McGuire, Morse, Nowe, O'Keefe, O'Neil, Packard, Pitts, Power, Priestley, Putnam, Marshall Quandt, Matthew Quandt, Rausch, Ruffner, Sapareto, Shultis, Sloan, Stritch, Varrell, Weatherspoon, Welch, and Whittier.

Also Present: Commissioner Pratt; Cathy Stacey, Register of Deeds; James Reams, County Attorney; Cheryl Hurley, Delegation Coordinator.

Rep. Vivian Clark, Chair of the Executive Committee, made a motion to adopt the following salaries for Elected Officials for the term of office 2003-2004:

Commissioners - \$17,500
County Attorney - \$70,000
Register of Deeds - \$54,000
High Sheriff— \$60,000
County Treasurer — \$5,500

Rep. Martha Clark requested that the Chair provide the members with a report from the Salary Subcommittee. Chairman Katsakiores explained.

Rep. Varrell moved the question.

The motion to move the question was seconded and approved by a voice vote.

A roll call vote was requested.

Clerk Welch conducted a roll call vote on the salaries and benefits as proposed. Clerk Welch reported the following: 35 in favor, 23 opposed. The motion passed.

Chairman Katsakiores recognized Representatives Dearborn, Kelley, Gleason and Pitts who expressed their opposition to the process carried out at today's meeting. Chairman Katsakiores recognized the comments made.

There being no further business, the meeting adjourned 1:03 p.m.

Respectfully submitted,

Cheryl A. urley
Delegation Coordinator

Rep. David A. Welch, Clerk
Rockingham County Delegation

cah

ROCKINGHAM COUNTY CONVENTION



DELEGATION

*George Katsakiores, Chairman
Sheila Francoeur, Vice Chairman
David A. Welch, Clerk*

EXECUTIVE COMMITTEE

*Vivian R. Clark Chairman
Lee Quandt, Vice Chairman
David A. Welch, Clerk*

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MINUTE S DELEGATION ORGANIZATION MEETING

Wednesday, December 11, 2002

10:00 a.m.

Hilton Auditorium

Rockingham County Nursing Home
Brentwood NH

The members of the Rockingham County Delegation held an Organizational meeting on Wednesday, December 11, 2002 at 10:00 a.m. in the Hilton Auditorium at the Rockingham County Nursing Home in Brentwood, NH. The purpose of the meeting was to elect Officers and an Executive Committee.

Rep. Rogers Johnson delivered the Invocation.

Rep. John Flanders led the Pledge of Allegiance.

Rep. David Welch, Clerk, conducted the roll call.

Those in attendance were: Rep. Sheila Francoeur, Acting Chair; Representatives Allen, Belanger, Bicknell, Bishop, Blanchard, Bridle, Cady, Carson, Casey, Vivian Clark, Coes, Cooney, Davidson, Dodge, Dumaine, Flanagan, Flanders, J. Gilbert, K. Gilbert, Gillick, Gleason, Gould, Griffin, Hamel, Headd, Holland, Hughes, Ingram, Introne, Itse, Robert Johnson, Rogers Johnson, P. Katsakiores, Kobel, Langley, Langone, Manning, McCann, Moore, Morris, Flayhan, Noyes, O'Neil, Packard, Pantelakos, Pitts, Priestly, Putnam. Quandt, Rausch, Roessner, Ruffner, Shultis, D. Smith, P. Smith, Splaine, Stone, Stritch, Varrell, Waterhouse, Welch, Weldy, Winchell, and Zolla.

Also Present: Commissioner Katharin Pratt, Commissioner Maureen Barrows, Theresa Young, Finance Officer; Kathy Nikitas, Finance Office; Cheryl Hurley, Delegation Coordinator. Other elected officials/department heads were present at the meeting who did not sign the sign-in sheet.

Clerk Welch reported a total of 59 members present at the time the roll was called. Rep. Francoeur, Acting Chair, declared that a quorum was present.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Convention Chairman. Rep. Stritch presented the slate for Rep. George Katsakiores as Convention

Chairman. Rep. Flanders seconded the motion. Rep. Francoeur called for further nominations. There were none. Rep. Francoeur instructed the Clerk to cast one ballot for Rep. George Katsakiores as Convention Chairman.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Convention Vice Chairman. Rep. Don Stritch, Nominating Committee Chairman, presented the slate for Rep. Sheila Francoeur as Convention Vice Chairman. Rep. Belanger seconded the motion. Rep. Francoeur called for further nominations. There were none. Rep. Francoeur instructed the Clerk to cast one ballot for Rep. Sheila Francoeur as Convention Vice Chairman.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Convention Clerk. Rep. Don Stritch, Nominating Committee Chairman, presented the slate for Rep. David Welch as Convention Clerk. Rep. Flanders seconded the motion. Rep. Francoeur called for further nominations. There were none. Rep. Francoeur instructed the Clerk to cast one ballot for Rep. David Welch as Convention Clerk.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Executive Committee Chairman. Rep. Don Stritch, Nominating Committee Chairman, presented the slate for Rep. Vivian Clark as Executive Committee Chairman. Rep. Flanders seconded the motion. Rep. Francoeur called for further nominations. There were none. Rep. Francoeur instructed the Clerk to cast one ballot for Rep. Vivian Clark as Executive Committee Chairman.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Executive Committee Vice Chairman. Rep. Don Stritch, Nominating Committee Chairman, presented the slate for Rep. Albert Weare as Executive Committee Vice Chairman. Rep. Belanger seconded the motion. Rep. Francoeur called for further nominations. Rep. Priestly nominated Rep. Mary Griffin. Rep. Dodge spoke in favor of Rep. Weare. Rep. McCann spoke in favor of Rep. Weare. Rep. Griffin introduced herself and expressed her interest in the position. Rep. Flayhan spoke in favor of Rep. Griffin. Rep. Dumaine also spoke in favor of Rep. Griffin. Rep. Francoeur called for further nominations. There were none. Rep. Francoeur declared that nominations were closed.

Rep. Stritch, Nominating Committee Chairman, explained the procedures for ballot voting. Tellers were Reps. Stritch, Varrell, and Bishop, Nominating Committee Members. Ballots were distributed (blue ballots). Ballots were then collected, placed in the ballot box, and counted by the tellers. Rep. Francoeur declared Rep. Mary Griffin as Vice Chairman of the Executive Committee.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Executive Committee Clerk. Rep. Don Stritch, Nominating Committee Chairman, presented the slate for Rep. David Welch as Executive Committee Clerk. Rep. Flanders seconded the motion. Rep. Francoeur called for further nominations. There were none. Rep. Francoeur instructed the Clerk to cast one ballot for Rep. David Welch as Executive Committee Clerk.

Rep. Francoeur called upon Rep. Donald Stritch, Chairman of the Nominating Committee, for the nomination of Executive Committee members. Rep. Stritch, Nominating Committee Chairman, presented the following slate:

District 1

John Flanders
Rogers Johnson
Norman Major
Thomas Varrell
Kenneth Weyler

Rep. Belanger seconded the nomination. Chairman Francoeur called for further nominations. Rep. Davidson questioned if every member from every district voted on the slate. Chairman Francoeur indicated yes. Rep. Johnson nominated Rep. Jeff Gilbert. Rep. Langone seconded the nomination. Rep. Blanchard nominated Rep. Pitts. Rep. Pantelakos seconded the nomination. Rep. McCann nominated Rep. Albert Weare. Rep. Dodge seconded the nomination. Chairman Francoeur called for further nominations. There were none. Chairman Francoeur declared the nominations closed. Rep. Pitts asked the Chair if the members being nominated could stand and introduce themselves to the new members. Balloting took place (purple ballots).

The members nominated from District 1 were as follows: Reps. Flanders, Johnson, Major, Varrell, Weyler, J. Gilbert, Pitts, Weare.

Rep. Francoeur declared that the polls were open. Ballots were distributed, collected and counted by the tellers. Rep. Stritch announced the members elected from District 1: Reps. Flanders, Johnson, Major, Varrell, and Weyler.

Rep. Stritch, Nominating Committee Chairman, presented the slate from District 2 as follows:

District 2

Ronald Belanger
Betsy Coes
Natalie Flanagan
Kurt Roessner
Donald Smith

Rep. Flanders seconded the motion. Chairman Francoeur called for further nominations. There were none. Rep. Francoeur declared that nominations were closed. Rep. Francoeur instructed the Clerk to cast one ballot for Executive Committee members from District 2.

Rep. Stritch, Nominating Committee Chairman, presented the following slate for District 3:

District 3

Rep. Gleason
Rep. Kobel
Rep. Hamel
Rep. Letourneau
Rausch

Rep. Flanders seconded the motion. Chairman Francoeur called for further nominations. There were none. Rep. Francoeur instructed the Clerk to cast one ballot for District 3.

RESOLUTIONS

Rep. Belanger read resolutions 2003-1 as follows:

Resolution 2003-1 — Adoption of Procedures for Filling Rockingham County Executive Committee Vacancies (RSA 24:2-b):

I move that the Rockingham County Convention authorize the Executive Committee to fill vacancies on the Executive Committee by a vote of the remaining members. Replacements shall be from the same Commissioner District as the seat being vacated, and to the extent possible shall be from the same party.

Rep. Belanger made a motion to approve the Resolution 2003-1 as read. Rep. Flanders seconded the motion. Rep. Pitts made a motion to AMEND by striking the language “and to the extent possible shall be from the same party.” Rep. Blanchard seconded the motion. Rep. Francoeur asked for further amendments. There were none. Rep. Cady noted a point of order requesting clarification. The Clerk provided clarification. There were no further questions. Rep. Francoeur conducted the vote, by requesting members to stand. The amendment failed. Resolution 2003-1 was approved as presented without revisions.

Rep. Belanger read Resolution 2003-2 as follows:

Resolution 2003-2 - Authorization for Rockingham County to Pay 2003 Expenses (RSA 24:15):

Due to timing differences, the County runs without a signed operating budget during the months of January and February. Historical figures demonstrate that the January and February expenses will total approximately \$10.5 million.

Since RSA 24:15 states that “no County Commissioners or elected or appointed official shall pay, or agree to pay, or incur any liability for the payment of, any sum of money for which the County Convention has made no appropriation, I move that we, the County Convention, authorize the County to spend up to \$10.5 million for 2003 expenses during the months of January and February in anticipation of the subsequent approval of the 2003 budget.

Further, that the \$10.5 million be allocated proportionately to line items based on 2002 approved net appropriations to fund like operating and personnel expenses in existence as of 12/31/02.

Resolution 2003 -2

Rep. Flanders read the resolution as presented. Rep. Belanger seconded the motion. The motion was approved by a voice vote.

Rep. Belanger made a motion to approve Resolution 2003-2 as read. Rep. Flanders seconded the motion. Rep. Dodge requested an amendment and explained the proposed changes in the language to insert the word, “Commissioners” before the word budget. Rep. Welch read RSA 24:2, pointing out that the language in the resolution reflects the language in the RSA. Rep. Welch recommended that we not amend

the resolution. Rep. Dodge referred to the possibility of a particular department not submitting a budget through the Commissioner's Office. Rep. Manning seconded Rep. Dodge's amendment. Rep. Belanger spoke in favor of leaving the language as is. Rep. Dodge reiterated that the budget is the Commissioner's budget and the language in the resolution should reflect that. Rep. Clark referred to it as being an "academic question," explaining that the budget is the county's budget, not any one individual or departments budget. She referred to "other matters." Rep. Flanders made a motion to move the question. Rep. Belanger seconded the motion. The motion to move the question was approved. Rep. Francoeur read Resolution 2003-2 with Rep. Dodge's amendment and requested a vote. The amendment failed by a voice vote.

Rep. Splaine spoke about the motion, expressing his opinion that the Executive Committee should consider other ways to go about the budget process; suggesting a 4 to 5 year budget view. Rep. Francoeur interjected reminding Rep. Splaine that we are in the voting mode. Rep. Pitts presented an amendment that included the language that budget documents be provided to each delegate at least 10 days prior to the vote of the budget. Rep. Flayhan seconded the amendment. Rep. Welch explained the budget process. Rep. Pitts withdrew the amendment, noting that she would present it at a later time.

Rep. Cady referred to Rep. Welch comments regarding officers being ex-officio members. Rep. Pitts questioned what would happen if a department head did not submit their budget to the Commissioners. Commissioner Pratt explained that the Commissioners are required to submit a budget to the towns per the statutes. Commissioner Pratt noted that the Commissioners would do their best to present a full budget accordingly. Rep. Zolla referred to the declaratory judgment in process. Rep. Francoeur asked that the discussion take place at another time, not during this resolution. Rep. Welch commented. Rep. Varrell made a motion to move the question. Rep. Flanders seconded the motion. The motion was approved. Resolution 2003-3 was approved by a voice vote.

Rep. Belanger read Resolution 2003-3 as follows:

Resolution 2003-3 — Executive Committee to act as a Subcommittee (RSA 24:2)

I move that we, the County Convention, designate the Rockingham County Executive Committee, according to RSA 24:2, to act as a subcommittee to consider the budget, or other matters, and make recommendations to the County Convention.

Rep. Flanders seconded the motion. The motion was approved by a voice vote. Rep. Pitts presented Resolution 2003-4 as follows:

The proposed budget and all resolutions shall be provided to each delegate of the County Convention who makes a request at least 5 (five) days prior to the vote of the entire delegation on the budget.

Rep. Langley seconded the motion. Rep. Stone suggested that the budget be put in the representative's boxes at the State House, if they are in session.

Rep. Welch commented referring to the matter as a timing issue. Theresa Young, Finance Officer, explained, noting that the schedule is tight. Rep. Langley asked the Chair why the budget is approved in February. Rep. McCann asked if the last year's budget figures are provided in the proposed budget. Rep. Francoeur noted that they are provided. Rep. Cady questioned the budget process. Ms. Young explained. Rep. Rausch suggested that the Finance Officer post any changes to the budget on the County's web site. Ms. Young commented that it is possible. Rep. Welch commented.

Rep. Splaine referred to the situation as “being uninformed legislators” the day we vote the budget. Rep. Francoeur commented that every member has the responsibility to come to the meeting(s) and be prepared to vote. She commented that the County budget becomes more and more important every years and it is the responsibility of the legislators. Rep. Flanders made a motion to move the question. Rep. Belanger seconded the motion. The motion to move the question was approved by a voice vote. Rep. Francoeur read Rep. Pitts motion 2003-4. Rep. Francoeur clarified the language. Rep. Weldy questioned. Rep. Pantelakos commented about budget changes made the morning of the meeting. Rep. Welch explained. Chairman Francoeur asked the Clerk to conduct a roll call vote. Clerk Welch conducted the roll. He reported the following results: 16 yes, 46, no. The motion failed.

Rep. Francoeur informed the members that the resolution to give the Treasurer the authority to borrow would be postponed until a further meeting when the Treasurer is present.

Rep. Belanger read the following motion to abate interest on taxes:

In accordance with RSA29: 12, I move that the County Convention abate the interest expense for Salem, Kingston, and Newmarket in the amounts of \$1,882.52, \$473.42, and \$143.84 respectively. Both the Treasurer and the majority of the Commissioners have expressed support in forgiving the interest expense incurred by the three towns but not assessed by the Treasurer.

Rep. Flanders seconded the motion. Rep. Zolla requested an explanation. Ms. Young, Finance Officer explained. There were not further questions. The motion was approved by a voice vote.

Rep. Belanger read the following motion to approve the energy management project:

In accordance with RSA 28:7, I move that we the County Convention authorize the energy management project, pending legal review.

Rep. Flanders seconded the motion. The motion was approved by a voice vote.

Rep. Francoeur made a few announcements regarding subcommittee appointments, the budget schedule, noting that information would be sent out to the members shortly. If anyone has any questions, they should call or visit the Delegation Office across the street.

Rep. Francoeur announced that the Executive Committee would meet immediately following the Delegation Meeting.

Rep. Dodge commented referring to statements made earlier in the meeting referring to the Commissioner’s budget to be the default budget.

There being no further business, the meeting adjourned at 12:30 p.m.

Respectfully submitted,
Cheryl A. Hurley
Delegation Coordinator

Rep. David A. Welch, Clerk
Rockingham County Convention

cah

Rockingham County Commissioners

119 North Road
Brentwood, NH 03833



Telephone: (603) 679-9350
Fax: (603) 679-9354

Maureen Barrows, Chairman

Katharin K. Pratt, Vice Chairman

C. Donald Stritch, Clerk

Report from the Rockingham County Commissioners

Every year as we sit down to write this report, we are continually reminded that while Rockingham County is recognized generally as a local level of government, it is truly a diverse and ever changing entity. Rockingham County is fortunate to have many bright and talented leaders that continue to expect and achieve high standards that allow the County to be successful.

In the financial arena the County continued to face some significant issues and encountered some new ones that other governments are facing as well. The labor shortage remains a problem but we are hopeful that the new pay and classification plan will make a difference by 2003. Also, we continue to struggle with inmate housing and expect significant associated costs in 2003. And unfortunately, the Sheriff has initiated a lawsuit against the County to obtain independence from standard internal financial controls.

Nevertheless, we have been successful in providing a sound financial outlook and are proposing a 2003 budget with a minimal tax increase. As a result, Moody's rating service awarded Rockingham County the highest short-term rating available and we expect good news on our long term 2003 borrowing as well. In addition, we look forward to the opening of our newest endeavor that is meant to address growing needs in long term care. The grand opening of the Ernest P. Barka Assisted Living Community will be in early 2003.

While we are pleased to move forward on addressing the County's growing needs that are serviced directly by the County itself, we are also pleased to participate in helping the towns and cities address growth not directly serviced by the County. During 2002 the County participated in obtaining grant funds for 3 significant community projects.



Airbase Portsmouth

\$380,000 was obtained and sub-granted to the Seacoast Business Alliance Corporation which has loaned approximately \$350,000- to Port City Aircraft Repair Inc. for equipment and working capital to construct a 30,000 square foot aircraft hanger at Pease International Jetport for aircraft servicing. The project will create 28 new positions.

In addition to this, the County received \$341,000 for the Kiddie Academy Day Care Center in Windham, NH and retain \$20,000 for project administration. \$321,000 will be sub-granted to Rockingham Economic Development Corporation (REDC) of

Exeter. REDC which will loan approximately \$280,000 to the Kiddie Academy for equipment and working capital for the Day Care. The remainder of the funds will be used by REDC for servicing of the loan and training of the Kiddie Academy staff. This day care center will create 25 positions.

Finally, the County received a \$1,000,000 grant for the purpose of relocating Route 1-B. The Route 1-B project has been completed and a ribbon cutting of the new road occurred in September of 2002. The Wentworth Hotel is scheduled to open in June of 2003.

The redistricting in May of 2002 was another issue we dealt with that affected all three County Districts. The results are as follows: District I, held by Commissioner Pratt, now comprises Danville, East Kingston, Greenland, Hampton, Hampton Falls, Kensington, Kingston, New Castle, Newington, Newton, North Hampton, Plaistow, Rye, Seabrook, South Hampton, Stratham and Portsmouth; District II, held by Commissioner Barrows, comprises: Atkinson, Brentwood, Epping, Exeter, Fremont, Hampstead, Newfields, Newmarket, Raymond, Salem and Sandown; and District III, held for 28 years by Commissioner Barka, comprises: Auburn, Candia, Chester, Deerfield, Derry, Londonderry, Northwood, Nottingham and Windham.



We look forward to and are preparing for the 2003 challenges and successes and will continue to ensure a sound financial outlook through responsible ethical management.

Rockingham County Commissioners

Maureen Barrows, Chair

Ernest P. Barka, Vice Chair

Katharin K. Pratt, Clerk

Report from the Office of the Treasurer

Rockingham County ended 2002 in good financial shape. This was indicated by the fact that during 2002 the County:

- met all financial obligations on a timely basis
- obtained borrowing at record low interest rates
- an improved Moody rating
- and expanded our 'state of the art' banking services

Rockingham County issued a \$20 million tax anticipation note (TAN) on April 1st with a very favorable interest rate. First Albany purchased the \$20 million TAN at a net interest rate of 2.2194%. The money was used for the County operating expenses. The last TAN borrowing by the County was in October 2001 at an interest rate of 2.2433%. Five different financial organizations placed bids on the TAN with net interest rates ranging from 2.2194% to a high of 2.9059%. The principle and interest on this issue were paid on December 31, 2002.

The highlight of the summer was the sale of a \$4.7 million bond anticipation note (BAN) with a low interest rate and the revised ratings of County obligations by Moody's Investors Services, Inc.

Wachovia Bank purchased the \$4.7 million BAN on August 16th at a net interest rate of 1.4493%. The principle and interest on this issue are due to be paid on June 6, 2003. The note was for the County's capital improvement program. The last BAN borrowing by the County was a year ago at an interest rate of 2.2592%. Seven different financial organizations placed bids on the BAN with net interest rates ranging from 1.4493% to a high of 1.6472%.

This action coincided with Moody's Investors Service rating of the MIG-1, the best note rating possible. Moody also affirmed the County's Aa3 rating for general obligation debt and revised the outlook to "positive" from "stable" for long-term debt. The MIG-1 rating applies to short-term loans only.

Due to our continued strong credit rating, the County was able to borrow both bond and tax anticipation notes at favorable rates. This low interest rate will save the County in interest payments in the long run and will make future County borrowing more attractive to investors throughout the country.

During the year, the Treasurer's Office collected \$33,966,352 in taxes from the thirty-seven cities and towns of Rockingham County. We currently are not involved with any legal proceedings regarding taxes.

Respectfully Submitted by,

Edward "Sandy" Buck
Treasurer

Report from the Office of the Register of Deeds

I am proud to report that this office, by careful planning and by conscientious management realized a profit of \$4,787,729.00, the details of which are reflected in my statistics below. The sincere efforts of my staff, not only affected this pleasant financial result, but also made it possible to sustain the high level of service to the public.

The copy department continues to be an extremely busy area. Over \$555,281.00 in income was generated by this department in 2002. Approximately \$102,839.00 was earned through FAX copies. This reflects an increase of \$12,754.00 in revenue from this department above 2001 documented figures.

The Scanning/Retrieval System has assisted this office by streamlining manpower and making documentation quickly accessible to the public. We are scanning all documents on a daily basis. A bid was awarded for the implementation of internet access of the indexing system to the public which should become available by May, 2003.

The large conversion project of film to images which began in 1998 will continue for the next year. This program involves considerable expenses and can only be reasonably accomplished over time. It is our hope to offer images and indexes back to 1960 when completed on the public computer terminals as well as via remote access.

It remains my belief that the Registry of Deeds should be operated in the best interest of the general public in particular the taxpayers of Rockingham County. My staff and I pledge ourselves to this end.

2002 STATISTICS

Number of Recordings	121,984 documents
Pages Filmed	659,120 pages
Number of Copies Made	417,310 pages
FAX copies Sent	37,414 pages
2002 Copy Dept. Receipts	\$ 555,281.00
2002 Total Receipts	\$5,777,191.35
2002 Expenditures	\$ 982,349.20
Surcharge Account used to Reduce Tax	\$ 300,000.00

Respectfully submitted,

Cathy Ann Stacey
Register of Deeds

Report from the Office of the Sheriff

This year placed extraordinary demands upon the Sheriff's Office, all of which were met with professional enthusiasm and competency by the employees of this agency. Every Division experienced an increase in routine activity along with the additional responsibility of engaging in specific activities associated with domestic terrorist threats.

The Explosive Detection K-9 Team responded to 9 incidents, and deputies were primary participants in emergency management drills and exercises throughout the county. Representatives from this Office served an active role with the United States Attorney's Anti-Terrorism Task Force and Anti-Crime Task Force, Enhanced 911 Commission, New Hampshire Office of Emergency Management, and the New Hampshire Radiological Emergency Response Plan.

A combined Division team continued in emergency management planning throughout the county for most likely to occur catastrophic events and also created a mass casualty manual for the AMTRAK system in Rockingham County.

On April 23rd, the complicated process of migration into the digital radio spectrum was completed. Public Safety Agencies throughout the county now have access to a state of the art communications system that provides

heightened internal security, improved public service, and enhanced officer safety. The Rockingham Sheriff's Office played a major role in the development, acquisition and implementation of this system, along with the support of the New Hampshire State Police and federal grant money.

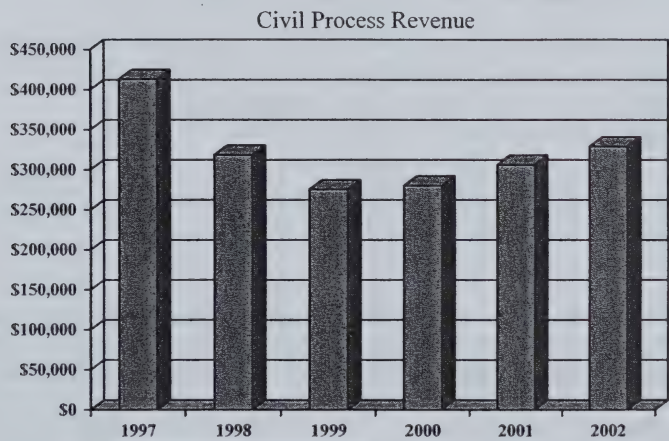
Deputies served as instructors at the New Hampshire Police Academy, trained many local police departments in defensive tactics and use of force techniques, assisted communities in crimes against children investigations, provided internal affairs investigation services for local communities, and assisted the Rockingham County Attorney's Office as well as the New Hampshire Attorney General's Office in special investigations.

Community services continued to receive special attention in the form of this agency's Seniors And Law Enforcement Together program (SALT), and free cell phones for the elderly. Deputies also actively participated in the Special Olympics and Toys For Tots program.

The citizens of Rockingham County are well served by the dedicated employees of this agency. I am proud of their efforts.

Sheriff Dan Linehan

Sheriff's Revenue and Appropriations



Revenue 2002

Airport Reimbursement	\$1,269,860
Airport Administration Fee	\$ 122,477
District Court Care & Custody	\$ 78,480
Juvenile Transport	\$ 30,373
Seabrook Grant	\$ 27,000
Outside Detail	\$ 138,868
Superior Court Bailiffs	\$ 283,935
Civil Process	\$ 328,833
EMA Grant	\$ 13,522
Other Grants	\$ 10,785
Miscellaneous	\$ 826
Total Revenue 2002	\$2,304,960

2002 Appropriations

Sheriff's	\$1,991,171
Dispatch	\$1,028,159
Radio	\$ 70,140
Airport	\$1,334,964
Outside Detail	\$ 207,716
Department Total	\$4,632,150

Warrant Statistics

Active Warrants – Superior Court & Family Division

Active Criminal Warrants	328*
Active Civil Warrants	97
Active Warrants – Defendant Located In Other States	<u>72</u>
Total Superior Court & Family Division Warrants	497

Active Warrants – District Court

Active Warrants	105
Active Warrants Issued to Other Counties	<u>28</u>
Total District Court Warrants	<u>133</u>
Total Active Warrants	630

*105 Defendants have been located outside of extradition limits

Warrant Recalls After Notice – District Court	395
Warrant Recalls After Actively Seeking Arrest – District Court	402
Warrant Recalls – Superior Court	<u>182</u>
Total Warrant Recalls	979

Arrest Statistics

Arrests – Superior Court

Criminal Warrant Arrests	346
Civil Warrant Arrests	<u>140</u>
Total Superior Court	486
<u>Arrests – District Court</u>	<u>38</u>
Total Arrests	524

Non Est (District Court)	103
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Total Warrants Managed – All Courts (+4%)	2,236
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Transports + 10%

General Transports	3,587
District Court Transports	3,903
Involuntary Emergency Admissions	333
Juvenile Transports	<u>275</u>
Total 2002	7,823
Total 2001	7,113

In 2002 deputies initiated 44 criminal reports, stopped 945 motorists for moving violations, assisted 234 drivers on the roadways, and covered 34 motor vehicle accidents. In addition, Patrol Division deputies served 12,123 civil process documents.

<u>2002 Fugitive Extraditions By State</u>	+ 18%	Total	158
		2001 =	134

Alabama	2	Arizona	1	Connecticut	1
Florida	10	Georgia	1	Illinois	1
Louisiana	1	Maine	19	Massachusetts	98
Michigan	2	New Jersey	8	New York	3
No Carolina	2	Pennsylvania	5	Rhode Island	2
Tennessee	1	Texas	1		

Deputy Sheriffs brought fugitives back from the above states in all but two instances. The United States Marshal Service brought one back from Texas and Michigan.

Dispatch Center + 3%

<u>1999</u> Calls For Service	70,492	<u>2000</u> Calls For Service	80,510
<u>2001</u> Calls For Service	90,090	<u>2002</u> Calls For Service	92,575

The Rockingham County Sheriff's Office Dispatch Center is the largest Public Safety Dispatch Center in New Hampshire, providing 24-hour service for 23 Police Departments and 14 Fire Departments. In addition, the Center is the primary communications point for the Seabrook Nuclear Power Plant's Radiological Emergency Response Plan, the Pease International Tradeport's Emergency Response Plan and the Manchester Airport's Emergency Response Plan.

Airport Division Statistics

Alarms	9,151	Vehicle Related	1,477
Escorts	158	Suspicious Container	308
Criminal	449	Parking Tickets	1,305
Aircraft Related	24	Administrative Calls	5,646
Medical Related	201	Calls For Service	6,979

Activity Has Increased 41% Over 2001
Passengers Serviced 3.36 Million

Report from the Department of Corrections

The inmate population for this past year continues to show growth. The average daily population for the year was 295. The average daily count for 2001 was 289.

Admissions for 2002 were 3,907. 3,378 Males and 529 females.

2001 was 4,019 -- 3,536 Males and 483 females

Even though 2002 shows 112 inmates less then the year before, the amount of days incarcerated before disposition has increased.

Training

There were 7 officers who attended the Association of Counties Correctional Officers Training Academy. Currently, all certified officers have been re-certified for the year. Re-certification requires 30 training hours per year. The total training hours for the year was 3,697. All are CPR and First Aid certified. There are 77 certified correctional officers. Thank you is extended to our in-house trainers who participated in the training program.

A note of recognition: to outside agencies that provide us, at no cost, with additional training on subjects ranging from health, constitutional law and behaviors. A special; thanks also to Captain Blomeke who is in charge of training and Deputy Superintendent Wright who oversees the program.

Special Community Programs

I firmly believe that Corrections should play an important role in providing programs in the community. The following programs represent an array of opportunities for schools, municipalities, the inmates, and especially the victims.

Project Community Phase II

We entered our sixth year in this vital program. There were many requests from the towns for participation, but due to a shortage of Correctional staff most of the year and a lower inmate population classified as minimum security, fewer projects were completed. It is our hope that we will be back on track in 2003. We were still able to provide a total of 10, 536 hours to municipalities.

Inmate Hours

The Nursing Home and Maintenance Department received a total 35,976 inmate man-hours. Eight towns received a total of 10,536 inmate man-hours. Total inmate man-hours 46,512 hours. This does not include the inmate man-hours involved within the facility and facility grounds.

V.I.N.E Victim Notification System

This program officially came on line in August 1998. This program allows a victim of a crime to register and ultimately be able to see if the perpetrator is still incarcerated or has been released. When the perpetrator has been released the victim is called and notified of it. There were 141 victims 74 of that number registered this year. The system received 1,867 incoming calls and 558 outgoing calls were made to the victims. We continue to receive many calls thanking the Department for this program. This program will continue to grow. Deserving of recognition is my Administrative Assistant Charlene Roche who oversees this program.

On Site Work

Inmate labor and talent continues to be used throughout the year for various projects inside and outside the facility. We have inmates painting, washing and waxing floors; washing and waxing of cruisers; and spreading mulch, mowing and sweeping of the parking lots. Flowers were planted around the grounds. All of these projects are providing cost saving of hours of manpower. A special thanks to the Maintenance/ Engineering Department for their support.

Work Release Program

There were 83 inmates who participated in this program. This program allows an inmate, by court order and our specific guidelines, to work within the private sector. The inmates pay for room and board thus generating a revenue for the County. It also provides the inmate with the ability to pay restitution, support his family, pay fines and reimburse victim's etc. The success rate of this program for 2002 is 81%. Recognition is extended to Janet Micklos, Human Services Director and Corporal Ren Horne, Sentence Classification for the continued success of this valuable program.

Human Services & Inmate Programs

The importance of having substantive programs for the inmate population cannot be overemphasized. Correctional facilities can no longer be warehouses as they have been for many years. Programs provide the opportunity for the inmate to take advantage of what is available. Our Human Services Director, Janet Micklos, has had a major role in providing guidance and direction to those involved in this very important area. She oversees all programs in this area.

Our GED program had 115 inmates signed up. 12 inmates successfully obtained their GED certificates. Although the success rate appears low in relation to applicants, we need to be reminded that many inmates are not here long enough to complete the program. We do attempt to encourage the individual to continue the program on the outside. We also have volunteer certified tutors who give their time to help inmates in certain areas and levels of their education.

Additionally, we have AA, NA, Bible Study, Anger Management, Art Therapy, and classes on AIDS, which also provides counseling and referral.

Of special note are the volunteers who tirelessly and unselfishly provide invaluable time and energy on these programs. We need to recognize these people for their dedication and genuine care and interest in these programs.

Spiritual Guidance

A thank you to Chaplain Walter Johnston for his 12 years of service. A new chaplain was contracted, Reverend Kent Threfall. He is doing a fine job coordinating chapel services and providing for the spiritual needs of the inmate population. We are fortunate to have local churches involved with the facility. We thank them for their donations of puzzles and games for Christmas.

Mental Health and Substance Abuse

These two areas play an important role in our day-to-day operations. Mental Health and Substance Abuse have become an important part and service within the correctional field.

Our counselors work diligently in providing one on one sessions. Providing group sessions is another important area. The management of drug/alcohol dependant inmates is critical in addressing the inmates' needs. Mental Health is becoming increasingly prevalent. My appreciation is extended to Helen Watkins our Mental Health Counselor and Bob Grimard our Substance Abuse Counselor.

Medical Department

The medical provider Prime Care, who is a private provider, has done a great job in supplying services to the inmate population. We continue to be accredited by the National Commission on Correctional Health Care.

Conclusion

We celebrated Correctional Officers week on May 10th by having a tour of the facility with the family members of our officers. It was a great success! It provided the family members with a visual presentation of where their loved ones work.

I would like at this time to express my sincerest gratitude to the Rockingham County Board of Commissioners, Representative John Flanders Chairman of our Jail Sub-committee his committee members and members of the Delegation for their guidance and support during this past year.

My Administrative team, Deputy Superintendent Al Wright, Business Office Manager Louise Turner, Charlene Roche, Captain John Blomeke and Lieutenant's Rusty Poliquin and Steve Church.

A thank you to all Department Directors, elected officials and their staff for their assistance and cooperation throughout the year.

Last but not least, my appreciation and recognition to all Department of Corrections' staff -- professionals, who are dedicated and committed to the ideals and goals of this department and who perform on all levels, an important public service. And a group of individuals who care about their profession. A special acknowledgement given to the parents, husbands, wives and children who support our employees.

Respectfully submitted,

Superintendent Gene P. Charron

Report from the Nursing Home

The past year continued to bring significant changes, challenges and issues to Rockingham County Nursing Home.

As we have noted over the past three Annual Reports, the lack of qualified nursing personnel has had an adverse effect on the operations and availability of services for residents of the county who may have wished for admission to RCNH.

We have continued to keep 42 beds off line on a semi-permanent basis; other beds in the facility have remained empty, as well, throughout the year as we attempted to recruit personnel in the nursing department. This caused a further reduction in bed days this year our average daily census was 212 compared to 223 in 2001 and 253 in year 2000. Of course this had a direct reflection in revenue generated by the Home.

Recruitment has been addressed through many methods over the year as in the past. Among the methods used for recruitment have been regular media advertising, job fairs both at the Home and other venues, increased starting wages, hiring and recruitment bonuses. We will continue to look for ways to see out side the box in 2003 to find personnel.

We would hope to reopen those beds that have been closed when we are able to find qualified nursing personnel.

In April we opened the second floor of the Driscoll Wing to help replace some of the beds that were taken offline for the renovations of the Underhill Wing for Assisted Living.

On April 8, the Board of County Commissioners recognized Commissioner Ernest P. Barka, announcing the naming of the assisted living facility in his honor. On that date we celebrated the "Wall Breaking" as we began construction of this new program. We had hoped to occupy by late November but due to delays the dedication and occupancy will not occur until late winter early spring 2003.

The use of agency personnel in 2002 was greater than in the year 2001. This is especially true on the 3-11 and 11-7 shifts. The gross cost to the county was over \$722,000 in 2001 in 2002 it exceeded \$1.5 million. We certainly hope that in 2003 we will see an improvement in the employment of nursing personnel. We have asked for a significant change in salaries for nursing personnel in 2003.

In February the Bureau of Health Facilities arrived for its Annual Survey of Long Term Care Facilities, as required by the Federal Government. The results were excellent with zero deficiencies.

As in past years we have continued our working relationship with the NH Community Vocational College System. In September we hosted two freshman nursing student classes averaging 8 students per class. The students were here on Wednesdays during the fall semester. We will look forward to seeing new students in the fall of 2003.

The “Employee of the Month” program continued throughout the year. Peers, residents, families, visitors, volunteers, or any other individual who has an interest in Rockingham County Nursing Home may nominate employees. Each month the selected employee receives a Savings Bond, reserved parking, a plaque and picture posted in the main lobby, a cake, and balloons. Recognized in 2002 were:

January -	Ed Levesque – Environmental Services
February -	Sawalok Dennett – Nursing Department
March -	Debra Hoffman – Nursing Department
April -	Ray Turgeon Adult Medical Day Care
May -	Linda Thayer – Food Services
June -	Claudia Finlay – Nursing Department
July -	N/A
August -	Arna Jalbert – Food Service Department
September -	Janet Gaudet – Nursing Department
October -	Joann Castine – Occupational Therapy Department
November-	Mary Page – Environmental Services
December -	Jackie Maurice – Nursing Department

The eleventh annual “Giving Tree” was successful. Many individuals and community organizations returned gifts to assist in providing a joyous Christmas morning for all residents. Thank you again to all who participated.

The EFFORTS Committee has continued to provide support to the residents of the Home. They have continued to purchase equipment and many special items that a resident may wish to enjoy.

Thank you to Jude Gate, Director of Maintenance and Engineering; Gene Charron, Corrections Superintendent; Theresa Young Director of Finance; and Martha Roy, Director of Human Resources; for the assistance and support provided to the nursing home throughout the year.

This report would not be complete without again recognizing the fine personnel who provide quality care and quality of life to the residents of Rockingham County Nursing Home. Without this group of dedicated employees the Home would not continue to enjoy its fine reputation throughout the State of New Hampshire. My personal thanks to each of them and their families.

An expression of gratitude to the Rockingham County Delegation and Board of Rockingham County Commissioners for their assistance, guidance and support this past year.

Respectfully submitted,

William F. Sturtevant
Administrator

**ROCKINGHAM COUNTY NURSING HOME
CENSUS 2002**

CENSUS January 1, 2002: 220

TOTAL ADMISSIONS: 83

Home:	38
Nursing Home:	22
Group Home:	18
Rehab Hospital:	2

TOTAL DISCHARGES: 122

Hospital Admission/Return:	33
Deaths:	82
Other Discharge:	7

CENSUS December 31, 2002: 208

TOTAL RESIDENT DAY: 77,315

AVERAGE DAILY CENSUS	212
HIGHEST CENSUS	220
LOWEST CENSUS	196

DAILY AVERAGE:

UNDERHILL WING	0
FERNALD WING	41
BLAISDELL WING	103
DRISCOLL WING	67

AVERAGE AGE OF RESIDENTS DECEMBER 31, 2002: 81

AVERAGE AGE AT DEATH: 85

AVERAGE AGE AT ADMISSION: 80

AVERAGE LENGTH OF STAY: 2 YRS – 4 MOS – 14 DAYS

Report from the Medical Director

This has been a successful year with the continuation of high quality care for the residents of the nursing home. Holly Solie, RN/ARNP has joined our team and has done an excellent job working with the four staff physicians. We are very fortunate to have a group of medical providers who have had a long experience at the nursing home and who provide excellent care 24 hours a day, seven days a week. All of the medical staff have had a long experience of caring for older people and are aware of the specific needs of this population.

We continue to see patients with multiple medical problems who require comprehensive care for managing their complex medical needs. We continue to see patients who are admitted with great medical and nursing needs and have been fortunate that we can continue to provide a high level of care. We work closely with community organizations such as Rockingham VNA and Hospice. We have a new optometrist, Dr. Claudia Chavez, who has joined our staff and has replaced Dr. Hartenstein. Dr. Manuel Sanchez provides pain consultations. Dr.

Roseberry has joined Dr. Vrees and has assisted Dr. Vrees in providing surgical consultation to Rockingham County Nursing Home patients.

We are fortunate to have so many specialists and services, such as laboratory available here at the nursing home so that we have minimized the number of occasions in which patients need to be transferred to the hospital. Overall with the excellent nursing staff joining with the medical staff, I believe we continue to provide a high level of care to the residents of Rockingham County Nursing home. I look forward to another year of continued, high quality medical care.

Karl Singer, MD
Medical Director

Report from the Engineering & Maintenance Services Department

It is with great pride and no small sense of accomplishment that we reflect back on the multitude of achievements and contributions the Engineering & Maintenance Services team made for the County in 2002. It is rewarding to see the results of ones work reflected directly in the quality of life enjoyed by the residents of the nursing home, in the safety and comfort of those housed and employed in the House of Corrections, and in the efficiency and comfort of all employees at the County Complex.

The Engineering & Maintenance Services department includes a wide array of skilled craftspeople whose dedication to the County and pride in workmanship is visible with each new task, small and large, undertaken each day.

Some of the larger projects undertaken and overseen by our department in 2002 include the following:

- ❖ Rockingham County Nursing Home (RCNH) Fernald building first floor was transformed by installation of new lighting fixtures, dropped ceilings, plumbing fixtures and shut offs, etc. greatly enhancing its appearance, comfort and efficiency.
- ❖ Extensive time and effort were spent involving the renovations to the RCNH Underhill Building toward the Ernest P Barka Assisted Living Community. Daily support and review from all the trades were provided as well as installation of the telephone, data and cable networks. This work took place as the build-out of Driscoll II was completed, with similar support and involvement by Engineering & Maintenance Services. Exterior improvements will be undertaken in 2003.
- ❖ Replacement of deteriorated steel and fire doors at both the Rockingham County Nursing Home and the Engineering & Maintenance Services building.
- ❖ The project to replace the nurses' call systems in RCNH Fernald and Blaisdell buildings was undertaken in 2002, following extensive research and feedback from the nursing staff. In addition to replacing the nurses' call system with state of the art equipment, a life-safety upgrade was also incorporated so that the smoke detectors in the resident's room also report to the nurses' station.
- ❖ Fundamental upgrades and renovations to the Fire Alarm system in the RCNH, including Fernald and Blaisdell buildings were begun in 2002.
- ❖ A new 140-degree water line was run to the RCNH Dietary Pots and Pans room.
- ❖ The boilers at the RCNH and the Jail were rebuilt in-house, at a significant savings and contributing not only to the life expectancy of the equipment, but also to the day-to-day efficiency.
- ❖ A ventilation system was installed in the basement of Carlisle building, contributing to the life expectancy of the equipment housed there, to the building, and to energy consumption in the summer months.
- ❖ The Engineering & Maintenance Services building received vinyl siding, encapsulating the lead paint that covers it.

- ❖ The deteriorating asbestos roof on the Engineering & Maintenance Services building was removed and replaced. The shingle roof on the RCNH Underhill building was also replaced.
- ❖ The North Road fire pond was renovated and a fence installed around it.
- ❖ The Greensand filter media at the Water Treatment Facility was changed.
- ❖ The Muffin Monster at the Wastewater Treatment Facility was rebuilt.
- ❖ In 2001, we suffered the failure of our 25-million gallon Lagoon #3 at the Wastewater Treatment Facility. 2002 saw the failure of Lagoon #1 at the Wastewater Treatment Facility. Consequently, our Water/Wastewater division was very much involved in the repair and reconstruction of Lagoons 1 and 2.
- ❖ The Energy Management System, on which various members of the department have been working since 1998, came to a contract agreement with Honeywell late in 2002. Whereas a significant portion of the Engineering & Maintenance Services budget (\$850,000+ in 2003) goes to utilities costs, energy management and equipment efficiencies figure prominently into every project and purchase. As a result of this project, the County will invest 3.8 million dollars in facility improvements that would otherwise be paid to utility vendors. We are very excited about the upcoming developments in this very important arena.
- ❖ On the environmental front, we continue to pursue the historical #6 oil leak at the RCNH Boiler Plant, putting into place the first stages of a Remedial Action Plan as specified by the New Hampshire Department of Environmental Services.
- ❖ A Maintenance Easement agreement was reached with our neighbor to the East in order to ensure to the greatest extent possible clear flow of the Dudley Brook, to help avoid future flooding of the Jail/House of Corrections.

These items serve to highlight some of the areas where the Engineering & Maintenance Services department contributed throughout 2002. As has been mentioned many times, when we do our job we are invisible; residents, staff, visitors and others are comfortable and safe, work and live in well lit and efficiently run buildings, viewing well maintained and healthy grounds. All of these factors are arrived at by virtue of the dedication and hard work, and the abilities and personal involvement, of the skilled tradespeople who make up the Engineering & Maintenance Services Department. It is my great pride to be associated with such a fine organization.

For my own part, I am sincerely grateful to the Board of Rockingham County Commissioners for their support and guidance and to the other Division Directors for their aid, and direction, and growth opportunities they have all shared with me.

Respectfully Submitted,

Jude Gates, Assistant Director
Engineering & Maintenance Services

Report from the Human Resources Department

The HR Department has coordinated the private review and recommendation of new non-union job descriptions during 2002.

During the past year the Human Resources Department conducted many training programs for employees. Benefits training was provided at the Nursing Home "Under-the-Tent" day held in the fall at which all Nursing Home employees are trained on essential issues by many different departments of the County. The Healthy Lunch lecture series was continued in 2002 offering employees a calorie conscious lunch with a health topic lecture. The fifth annual Health and Benefits Fair was held in the month of June for all employees. This event provides employees with a chance to meet with the many health and benefit providers of the County and learn ways to lead healthier lifestyles as well as the particulars of the various benefit plans.

During 2002, the County's self-insured health insurance plan third party administrator changed to Group Insurance Service Center. With minor adjustments the Preferred Provider Organization health insurance plan was maintained for County employees.

The department worked on negotiations surrounding a new collective bargaining agreement with the Department of Corrections union to be implemented in 2003. We also reviewed and coordinated the distribution for review of new position descriptions for the respective departments. These will be finalized in 2003.

The Human Resources Department continues to provide entrance and exit interviews to all County employees, introducing them to the current County benefits as well as Personnel Policies and Procedures. Support is provided for personnel issues and facilitation is supplied to the Employee Advisory Committee, Joint Loss Management Program (Safety) Committee and County Management Team. All employee personnel files for each County department are maintained in the Human Resources Department.

We welcome any suggestions to better serve the County.

Respectfully submitted,

Martha S. Roy
Human Resources Director

Report from the Department of Human Services

The Department of Human Services was responsible for an appropriated budget of \$16,047,261 for the funding of services to residents of nursing homes, juveniles and their families, the disabled, and the elderly.

The Intermediate Nursing Care line item of the budget represents the most costly portion of this department's budget. INC pays for medical services to residents of private nursing homes, as well as the Rockingham County Nursing Home, with costs split – fifty percent federal share, 25 percent county share and 25 percent state share. There were as many as 818 residents per month receiving INC benefits at an average monthly cost of \$587,950.

With the passage of Senate Bill 409 in January, 1999, the counties gained financial liability for other long-term care services. The goal of SB 409 was to provide less costly options for care for the elderly and chronically ill. Some elderly prefer to remain at home, or in a setting less acute than a nursing facility. Medicaid-eligible elderly and chronically ill adults may receive services in their own homes, or in mid-level care facilities. The two categories of service added by SB 409 are Home and Community Based Care and Provider Payments. The costs for these services are funded 50% federal share, 25% state and 25% county shares. Services are available only to those persons who would be eligible for Medicaid nursing facility services. The average monthly caseload for HCBC clients was 292 persons, at an average cost of \$83,500 per month. The Provider Payment caseload averaged 1,228 persons, at an average cost of \$193,400 per month.

This department is also responsible for the payment of expenses for Old Age Assistance. This program provides cash grants to income-eligible elderly persons. The county pays fifty percent of the total cost. Rockingham County paid for as many as 221 clients per month, at a total average cost of \$15,500.

The Aid to the Permanently and Totally Disabled is a program that provides cash grants to income-eligible persons who have severe physical or mental disabilities. The county share is fifty percent of the costs. This program served an average caseload of 845 persons, at a total average monthly cost of \$88,800.

The Department of Human Services is responsible for approving payments for court-ordered services for juveniles and their families; including Children in Need of Services, delinquents, and children who have been found to have been abused or neglected. Rockingham County funds twenty-five percent of these costs, and the State of New Hampshire, Division of Children, Youth and Families, funds seventy-five percent. Rockingham County paid expenses for as many as 461 children on a monthly basis. Average monthly costs totaled \$159,700 for out of home placement and in-home services. Reimbursement for juvenile's expenses was collected from parents in the amount of \$269,582 by this department, acting on behalf of the state.

In order to reduce the number of court-involved juveniles, and out of home placements that may result from court involvement, counties receive prevention funds from the State of NH, Division for Children, Youth and Families, called the 6% Incentive Funds. Rockingham County granted \$622,000 to community programs that provide services to prevent children and families from becoming involved in the juvenile justice system, or to provide judges with alternatives to costly placements or services once a juvenile petition has been filed.

An example of a prevention program is Rockingham County's Parent-Child Mediation Program. Dedicated community volunteers completed their sixteenth year providing mediation services to families who are experiencing difficulties with their adolescents. The program received referrals from the courts as a diversion alternative, from schools, from the Division for Children, Youth and Families, and from police departments. Parent-child mediation is provided free of charge to families residing in Rockingham County.

I would like to express my appreciation to the Board of Commissioners for their guidance and assistance to this department. I would also like to recognize the excellent staff of the department, including the Parent-Child Mediation Program Coordinator, for their service on behalf of the families of Rockingham County.

Respectfully submitted,

Diane D. Gill
Director, Human Services

Report from the IT/Telecommunications Department

Growth in the use of computer and telecommunications technology continued to grow in 2002. During our network migration to Windows 2000, we grew in number of users, computers, and available resources. Computer users increased by 27%. Sharing of UNH Cooperative Extension's Internet connection allowed us to double our use of the World Wide Web and communication with contacts outside the Rockingham County complex.

In addition to the responsibilities of on-going administration and technical support for computer and telephone systems, IT/Telecommunications implemented the following changes in 2002:

- An additional server was installed to prepare for the migration of print and file sharing to Windows 2000.
- Implementation of a shared Internet connection eliminated duplication and provided cost savings of \$9000.
- Anti-virus protection was improved with the implementation of automatic updating of virus definitions and e-mail scanning.
- The computer-leasing plan continued, which upgraded existing PCs to improve reliability & performance.
- Electronic mail was migrated to Microsoft Exchange Server consolidating mail into one

system and providing new features such as calendar sharing.

- Rockingham County's telephone system was upgraded to handle growth and caller ID capability.
- Microsoft Windows 2000 technical training was provided for Network Administrators

I would like to express my gratitude for the support and assistance I have received from the Board of Commissioners, the Delegation, Bill Sturtevant, and Norman Majors. My thanks also go to the staffs of the Nursing Home Administration, Maintenance, and Fiscal departments, and the departmental network administrators group for all their help. I cannot fail to thank all of the staff I come into contact with on a daily basis for their cooperation.

Respectfully submitted,

Frank L. Stoughton
IT/Telecommunications Manager

Report from the UNH Cooperative Extension at Rockingham

UNH Cooperative Extension is the outreach arm of the University of New Hampshire. It offers research-based education to people of all ages, in cooperation with county, state, federal, and private partners. UNH Cooperative Extension helps foster the positive development of youth, adults, families, and communities; improves our economy; and provides effective natural resources management. The Rockingham County staff had a busy and productive year providing practical education that helps people of all ages throughout Rockingham County. In every city and town this program is at work, teaching residents about the critical issues of today, and encouraging them to improve the quality of life around them. Some major impacts that Cooperative Extension has had on the citizens and environment of Rockingham County during the past year include:

AGRICULTURAL RESOURCES, NANCY ADAMS and NADA HADDAD

The agricultural industry of New Hampshire is a very diverse segment of the state's economy, encompassing a broad spectrum of crop, livestock, horticulture, and specialty products and services. Farm value of agricultural product sales and services in Rockingham County is conservatively estimated at \$16.8 million annually. The Agricultural Resources program works directly with small farmers, commercial growers, agricultural businesses, and communities to improve the economic vitality of the industry while ensuring the wise management of the County's natural resources.

The number of farmers' markets in Rockingham County and throughout the state has almost doubled and the need for information on how to sell at the farmers' market is essential. A fact sheet, "Selling at the Farmers' Market," was developed and a slide presentation made to more than 200 growers, introducing them to the art of displaying products at the farmers' market, attracting customers, and maintaining good quality produce. The result was an increase in sales for local producers.

The Rockingham County Master Gardener volunteers include 34 active participants. Plans continue on the development of the Rockingham County Botanical Garden, a 10-acre site of Rockingham County farmland in Brentwood. More than 300 County residents participated in two educational events held on-site in 2002. Plans for 2003 include initiation of the membership campaign and development of the Master Plan.

FAMILY DEVELOPMENT, CLAUDIA BOOZER-BLASCO and KAREN M. BLASS

Parenting Education and Family Life Programs – Educational workshops and child development newsletters reached 1,066 parents, single parents and stepparents to help them strengthen their parenting roles and their

adjustments to their changing family. Four interviews on various parenting topics reached thousands of viewers on WMUR-TV's Parenting Segment.

Food Safety and Nutrition Efforts – A total of 152 restaurant food managers and handlers, consumers, health workers, day care providers and volunteers increased their ability to prevent food-borne illness by participating in food safety programs. Programs on *Childhood Obesity* and *Soy Delicious* were provided for 41 child care providers, teachers and community volunteers.

Community Efforts - Provided support and consultation for the Candia Community Profile, *Envision Candia: A Forum for Candia's Future*, which attracted 160 citizens to the two-day event and resulted in seven action groups. Also assisted six Wellness Teams with their plans for NH Celebrates Wellness projects.

Money management and consumer education programming - Thirty individuals benefitted from participating in a money management series with a focus on debt reduction and increasing savings. 6104 Rockingham County residents were reached with information regarding Medicare, Medigap, and other health insurance for Medicare-eligible residents through a program called HICEAS (Health Insurance Counseling Education Assistance Service). Twenty-six high school teachers received training in a program targeting youth and financial literacy entitled High School Financial Planning.

The Impact of Media on Children, Youth and Families - 149 parents, professionals and youth participated in various educational workshops addressing the issue of the impact of media on child and teen health. Some of the topics included violence, nutrition, substance abuse, eating disorders, body image, sexuality, and impacts on managing money. In each workshop, there was an exploration of the various skills necessary for children and youth to critically analyze media messages. This has been shown to decrease the sometimes negative impact of media.

NUTRITION CONNECTIONS, TERRI SCHOPMEYER

Social Marketing Campaign - Results from the 2001 Nutrition Connections Social Marketing Campaign funded by the Food Stamp Nutrition Education Grant indicated that NH food stamp recipients were most receptive to receiving nutrition education through the mail. Nutrition Connections responded by developing *Eat Healthy, Stay Fit*, a six-lesson home study course, and *Smart Choices*, a series of newsletters sent to all 2,411 Food Stamp households in RC. Television commercials ran statewide on cable and commercial television promoting healthy eating and the Nutrition Connections program.

Youth and Adult Programming - Nearly 500 youth were reached in the classroom, after-school programs, and community garden projects. Behaviorally-based youth programs teach skill building to increase confidence in making healthy lifestyle choices. Fifty adults completed programs in basic budgeting, increasing physical activity, improving diet, and managing food resources. With more than half of all Americans overweight, what we eat, how much we eat, and our activity level all affect our health and quality of life. Nutrition Connections promotes healthy lifestyles and making the most of one's food resources.

FOREST RESOURCES, MATT TARR

Forestry/Wildlife Assistance and Education – Extension provides one-on-one education and assistance to private landowners, licensed foresters, wildlife biologists and loggers throughout the county. This past year, we provided assistance to over 60 private landowners, in 24 towns. We provided assistance to 10 Rockingham County towns regarding the management of their town forest resources and/or forestry related issues. Extension sponsored/co-sponsored 18 natural resources educational workshops in the county and statewide. These workshops were attended by about 500 landowners and natural resources professionals

4-H YOUTH DEVELOPMENT, LYNN GARLAND and RICK ALLEVA

The 4-H mission is to provide positive learning experiences for youth and adults to develop their potential as caring, competent, confident, and contributing members of our ever-changing world. With a focus on life skill development reflected in the 4-H's, Head, Heart, Hands, and Health for Better Living, we involve youth and volunteers in positive youth development efforts, including 4-H clubs, short courses, school enrichment, 4-H camps, and community youth development.

Five hundred and five youth were involved in 87 clubs; 2,300 in special interest short courses and 1,050 in school enrichment programs. Volunteers are the essence of 4-H, with 638 serving as positive role models for life skill development. Volunteers averaged 217 hours with 4-H, a contribution equivalent to slightly over two million dollars. County 4-H highlights include: Leadership Lab, Favorite Foods Festival, Demonstration Day, Spaces Conferences, Crafts Funshops, Fashion Revue, 4-H Horse Shows, judging events, quiz bowls, UNH Teen Conference, Stratham and Deerfield Fairs, Focus on Money Career trip, Recognition Night, and 4-H camps. The High School Financial Planning Programs reached 1,834 youth in 13 high schools. Other 4-H programs include Let's Go Fishing, Babysitting Short Courses, Kids on the Block Handicapped Awareness, Talking with TJ (teamwork and conflict resolution), and 32 youth received camperships to NH 4-H camps through a county Incentive Grant.

Community Youth Development (CYD) encourages involving youth as resources by drawing upon their actual and potential strengths. CYD activities promote youth participation, interagency collaboration, youth coalition building, and program development. Initiatives include: 1) The Raymond Coalition for Youth: strategic planning, community education, and youth involvement; 2) Rockingham County Family Court: enhance case management and access to support for youth and families with; 3) Lower Seacoast Youth Collaborative: encourage mobilization of youth resources for those least likely to access positive youth development activities; 4) The SAD Café: youth leadership development and after school programming, and 5) Share information and opportunities for collaboration with other youth and community organizations and networks.

LAND AND WATER CONSERVATION, PHIL AUGER

Phil's work involves educational outreach on permanent land conservation to property owners, communities, and conservation groups. Here are a couple of highlights from this past year. He spoke at 22 workshops on estate planning and land conservation in communities across Rockingham County and worked individually with approximately 90 landowners on conserving their land. Last summer he helped organize the "Summer Community Land Conservation" workshop series in Brentwood. More than 50 communities and conservation organizations and state agencies from all over the state and Massachusetts came to learn about land conservation.

SEA GRANT AND MARINE RESOURCES, ROLLIE BARNABY

Fisheries Research – Cooperative Extension is the outreach arm of a multimillion dollar fisheries research project called the Northeast Consortium. Over the past three years the Consortium has funded more than 9 million dollars worth of research projects with 6 million of that going to commercial fishermen.

Marine Aquaculture – Cooperative Extension is a full partner in a UNH multi disciplinary team that is successfully growing mussels at an offshore site ten miles from shore. They have successfully grown three crops of blue mussels in the last three years. The technology is now being transferred to New Hampshire commercial fishermen who are looking for alternative business opportunities to supplement or replace their present fishing businesses.

The Rockingham County Educators and staff want to thank the Board of Commissioners for their continued support. The county, state, federal, and private partnership that has been in existence for 88 years is one that continues to serve the needs of the citizens of the state and county.

Report from the County Attorney's Office

Rockingham County Attorney James Reams is pleased to submit the 2002 Annual Report for the Rockingham County Attorneys Office. This report marks the completion of County Attorney Reams' second term in office. The County Attorney's Office has been significantly reorganized. The office continuously strives to improve the quality and efficiency of processing cases and seeking justice within the confines of a delicate balance of resources. The County Attorney wishes to thank the delegation for their continued support of the mission of this office and looks forward to continuing the work to provide justice to the citizens of this County.

MISSION STATEMENT

"The mission of the Rockingham County Attorney's Office is to improve the quality of life for the citizens of Rockingham County by seeking justice professionally, effectively and efficiently."

The County Attorney is a constitutional officer whose duties and responsibilities have been defined by the common law and various statutes. The County Attorney is the chief law enforcement official in Rockingham County. In the absence of the Attorney General, the County Attorney performs all the duties of the Attorney General's office for the County. He has the responsibility for and exercises general supervisory control over the enforcement and prosecution of the criminal laws of the State.

The County continues to grow at a rate that is well above the rate at which the rest of the State is growing. The threats to our rapidly expanding communities are likewise increasing. The laws regarding criminal procedure, search and seizure and permissible investigative techniques is increasingly complex. The County Attorney has an important responsibility to provide general oversight, guidance and training to the County law enforcement agencies. The responsibility is not only to ensure that the community is protected from criminals and that cases are successfully prosecuted, but also to ensure that all of our citizens' rights are scrupulously protected.

Since 1999, when County Attorney Reams first took office, the number of cases handled by the County Attorneys office has dramatically increased. A strict comparison of the actual number of True Bills returned by the Grand Jury reveals a leap from 1254 in 1998 to 2145 in the year 2002. Simply comparing these numbers cannot accurately reflect the increased workload handled by this office. Some might suggest that the numbers could be skewed by "overcharging" certain types of cases. This is not done in Rockingham County. The County Attorney exercises great restraint and consideration when making charging decisions. The County Attorney prefers to track the workload by comparing the number of "case files" opened. A file may have numerous charges, but will involve one investigation and one defendant.

2002 CRIME STATISTICS FOR MATTERS FILED IN SUPERIOR COURT

Total # of files opened	895
Total # of defendants indicted	1020 (20 AG's Office)
Total # of misdemeanor appeal cases	83

BREAKDOWN BY CHARGE

Assaults	137
Sexual assaults & related offenses	339
Computer Crimes/Child Pornography	112
Robbery/Burglary	284 (1 AG's)
Theft/Fraud/Bad Check/Forgery	481 (4 AG's)
Habitual Offender	138
Aggravated DWI/DWI	49
Negligent Homicide	4
Drug Offenses	533

Active case files on avg. at one time (approximate)	1550
• Average monthly case intake	128.5
• Average caseload (active cases) per felony attorney	110

288 closed files were reopened in 2002. These cases are not counted as "active" cases. Reopened cases generally require prosecutors to respond to post conviction motions for a variety of requests and to appear at related hearings. The Court has adopted a liberal policy with regard to accepting and scheduling hearings for these types of pleadings. The matters have become increasingly time consuming for the staff. Petitions for Writ of Habeas Corpus require our prosecutors to attend hearings at the prison in Concord and at the Coos County Court for matters involving prisoners held in the Berlin facility.

PROSECUTORS

The County Attorney and his Deputy oversee a staff of 31 in the Superior Court office, including 12 Assistant County Attorneys. The Assistant County Attorneys are divided into teams covering three geographic regions of the county. The team covering the Western part of the county has seen the most significant increase in cases. The delegation has approved an additional felony attorney for 2003 to meet the increased caseload in this area.

The County Attorney continues to be proactive in providing assistance during the earliest stages of a case. Prosecutors are available to answer questions from law enforcement regarding investigations and charging decisions 24 hours a day. All prosecutors are periodically scheduled to be "on-call" at night and on weekends. Prosecutors are "exempt" employees who do not receive overtime or other consideration for this added duty. The prosecutors recognize that this is an important function that results in better investigations, better prosecutions, and protection of the rights of the citizens of the county. In 2002, prosecutors handled over 220 after hours and weekend calls for assistance.

In addition to these duties, and as noted above, the prosecutors carry an average of 110 felony cases at all times. By way of contrast, please note that the Public Defenders have a contract with the State that provides for a maximum caseload of 55 cases, including misdemeanors and other duties. Our heavy workload places significant stress on the entire staff.

DISTRICT COURT

While the County Attorney is responsible for criminal prosecution in his County, police departments have traditionally prosecuted their own cases at the District Court level in New Hampshire. The County Attorney's Office provides assistance to departments when requested and occasionally for short periods when departments have been without personnel. The County Attorney has assumed complete responsibility for District Court prosecution under circumstances where the individual department or municipality reimburses the county for the associated cost of providing that service. This is done because the County Attorney does not provide district court prosecutors for all of the towns in Rockingham County.

The County Attorney supervises one full time and one part time prosecutor assigned to the Portsmouth Police Department under a fully funded contract. An Assistant County Attorney has been assigned to the Salem police department under a fully funded contract. The Plaistow District Court prosecutor position will be filled in 2003 with 5 towns having entered the contract. The County Attorney has provided prosecution for certain towns in the Auburn District Court area including Nottingham and Candia. The County Attorney previously prosecuted cases for Epping and Northwood. Those towns have opted to hire attorneys on a part time basis to act as their prosecutors.

VICITIM WITNESS ADVOCATES

The County Attorney's Office has three full-time Victim/Witness Advocates. The advocates work primarily on victim cases. They provide information and assistance to people affected by crimes with compassion and professionalism. Advocates guide victims through the criminal justice process and work to ensure that the victim's rights are protected in accordance with RSA 21-m:8. Each of the victim/witness advocates averaged over 227 telephone conferences and more than 30 office conferences with victims of crime each month.

One of the 3 advocates continues to be grant funded through the Violence Against Women Act. This grant limits the types of cases that this advocate may work on. The County has been fortunate that the federal funds still pay the majority of this employees salary. We have also had the benefit of a Victim/Witness Advocate placed in this office through the Americorps program. The total cost to the County to add this additional advocate was \$4,500 for 2002. The citizens have had the benefit of an Americorps advocate for the past 2 years. Unfortunately, Americorps funding is in jeopardy and an advocate may not be available to this office next year. It is important to maintain the level of services demanded by the Victims Bill of Rights. With the increasing caseload, it will be necessary to add an additional full time advocate in the near future.

INVESTIGATORS

The investigators reviewed approximately 475 cases during 2002. They review all cases involving victims. Additionally, they reviewed and validated 272 cases pending in the National Crime Information Center (NCIC), which is used by law enforcement to locate defendants evading justice. Other duties of the investigators include but are not limited to assisting law enforcement agencies in follow-up investigations, locating missing witnesses and conducting some interviews. In August of 2002, the Investigative Unit began keeping statistics in the areas of complaints against police departments, employees and general walk-in complaints, as well as 'hostile' telephone calls received.

MEDICAL EXAMINERS

In 2002, the Medical Examiner performed 46 autopsies, for which the County was billed \$500 per autopsy in accordance with state statute. The County Attorney ordered autopsies in 31 of those cases and was consequently responsible for all related expenses in those cases.. In every case of a medicolegal death, the medical examiner, or an assistant deputy medical examiner is required to respond and conduct an examination. Assistant deputy medical examiners conducted 152 scene investigations this year, and 99 telephone consultations. We rely on local funeral homes to provide removal and transportation services. It is anticipated that these expenses may continue to rise slightly as the funeral homes have indicated that the set compensation rate is inadequate to cover their escalating expenses.

CHILD ADVOCACY CENTER OF ROCKINGHAM COUNTY

Our Child Advocacy Center is the first established in New Hampshire. The Child Advocacy Center now provides child friendly forums for multidisciplinary interviews at sites in both Portsmouth and Derry. The Child Advocacy Center was Rockingham County's response to the legislature's mandate that agencies investigating child abuse work cooperatively to minimize the impact on the child.

The Child Advocacy Center is a non-profit entity that is staffed and funded through grants and fundraising efforts. The County Attorney and the Sheriff are both on the board of directors and have representatives on the advisory board of the Child Advocacy Center. The model has been so successful that a legislative committee has recommended that our model be implemented statewide. The Governor and Attorney General have supported this model and have made matching funds available to enable communities to establish Child Advocacy Centers of their own.

Prosecutors attended 153 interviews at the Child Advocacy Center in 2002. The process is time consuming for the attorneys, but is critical to successful resolutions to these types of cases. As the Court docket becomes more demanding, it will be difficult to keep pace with covering these interviews. In many of the jurisdictions across

the country, prosecutors are rotated through full time assignments at their Child Advocacy Centers. Proper coverage for the Child Advocacy Center will be essential for continued success.

NEW COUNTY PAY PLAN FOR 2002

The staff of the County Attorneys Office was moved onto the new County pay plan in 2002. The plan had been recommended by a contracted consulting firm and was subsequently approved by the delegation. A review and updating of the County pay structure was an important step taken by the delegation. County employees are dedicated public servants committed to providing quality services for the people of Rockingham County. These civil servants do not expect to be compensated at the same level as those in the private sector. However, we lagged behind other counties and the State in compensating employees. The County Attorneys office had suffered significant staff turnover as employees would move to other prosecution offices or to the private sector. The man hours required to train new employees is significant. Additionally, staff turnover places a high burden on remaining staff when cases and projects must be reassigned to employees who are already carrying significant caseloads.

The plan was implemented without flexibility or the application of common sense. The plan was essentially phased in pursuant to established County policies and in accordance with the rigid guidelines imposed by the County fiscal office. All employees were not moved onto the plan simultaneously. Employees did not receive the benefit of the new plan until the time of their annual review when a PCN [payroll change notification] would normally have been sent to the fiscal office for processing. Much to the continuing disbelief of the staff, the County Attorney was not allowed to influence this process, or to take steps to avoid the resulting inequities. Numerous morale issues were unnecessarily caused as employees with lesser experience and responsibilities were placed ahead of others on the plan. Additionally, the proposal placed one Victim/Witness Advocate drastically above the other advocates and at the same grade as mid-level attorneys. It is axiomatic that the Attorney II's have a higher level of responsibility and educational prerequisites than a Lead Advocate. However, this re-grade has remained part of the plan over the County Attorneys objection. It is simply nonsense that the County Attorney was not allowed to head off the problems that were caused by giving such a significant and inappropriate salary increase to this position.

Hopefully, we will be able to correct some of the problems in the coming year. The County Attorney thanks the delegation for appropriating additional funds in the 2003 budget to enable the adjustments necessary to make the plan more equitable and logical in his department.

THE FACILITIES AT THE COUNTY COURTHOUSE

This year, the Department of Administrative Services finally took steps to address the many problems with the Courthouse. We are pleased that remediation is underway. The problems identified include: poorly located air intakes which result in exhaust from vehicles, the generator and the propane fired boiler entering our space; placement of the trash dumpster adjacent to the air intake; faulty/defective vapor barrier between the cement and the carpet; mold; air dampers that were permanently closed; inadequate circulation for the number of persons in the space; failure to properly change air filters and maintain system. The County Attorney's Office has been relocated to accommodate work at the Registry of Deeds. During the project, Administrative Services will be installing the long overdue secure entrance to this office.

The County Attorney's Office has been short on space since first moving in. We have been forced to store the majority of files offsite. Administrative Services has recently agreed to allow the use of the file storage room behind our office on the same level. This additional space will help to alleviate some of the overcrowding.

FUTURE CHALLENGES AND OPPORTUNITIES

The availability of the internet has provided a new forum for certain criminals and predators. The laws to provide appropriate protections are slowly catching up to meet the threats. Investigating and prosecuting these

technology-assisted crimes present new challenges for law enforcement and prosecution. The types of cases that have reached into our communities include a new way to violate a protective order with relative anonymity, cyber stalking, child pornography, solicitation, and identity theft. The only crime lab in the State designed to "autopsy" suspect computers was run by the State Police. The lab suffered tremendous backlogs and ultimately closed down in 2002. Providing training, equipment and support to our police investigators and county prosecutors will be critical for future success combating these types of crimes. The County Attorney is actively working to secure federal funding to provide training for prosecutors and police in this important area.

Federal, State and local law enforcement are all tasked with working to prevent future acts of terrorism. This is an unfortunate and troubling threat for the foreseeable future. The U.S. Attorney appointed County Attorney Reams to the Anti-terrorism Task Force. Law enforcement leaders and representatives are working to identify precursor crimes, potential targets and ways to share information more effectively amongst all levels of law enforcement.

Information management will be critical for future law enforcement successes. Keeping pace with developments in computer power, software and access will be an essential expense.

In closing, I want to commend the entire staff of the Rockingham County Attorney's Office. They are dedicated and compassionate professionals who are committed to the mission of this office. They have and will continue to do what it takes to get the job done. The citizens of this county can be assured that the staff of this office serves them well.



ROBBIN R. GRILL, CPA, PC

The Concord Center, 10 Ferry Street, Suite 311, Concord, NH 03301

To the Board of Commissioners:

Rockingham County

In planning and performing our audit of the financial statements of **Rockingham County** for the year ended December 31, 2002, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 12, 2003, on the financial statements of Rockingham County.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the Finance office personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Jail Cash Accounts:

Variances arising on the monthly bank reconciliations of the inmate account are not being resolved even though both the Jail and Finance have spent considerable time trying to determine the differences. The unresolved variances before being eliminated with Jail Commissary surplus funds at December 31, 2002, amounted to \$5,607 which represented an increase of \$4,152 over one year ago. The unreconciled variances are getting bigger and as more time passes will become increasingly difficult to resolve.

Occasionally, deposits made by the jail do not foot and these have to be reviewed.

Recommendation: While the bank accounts are reconciled monthly, any variances resulting therefrom should be addressed immediately. We recommend that the Jail continue to prepare their deposits and the Finance Office continue to record the deposits and prepare the bank reconciliations. We further recommend the Finance Office should write the checks.

Management Response: A study of County financial activities is being conducted during the summer of 2003. The recommendation will be evaluated as part of that study.

Nursing Home Restricted Cash Accounts:

There is a restricted account for donations for residents which has a cash on hand balance of \$3,290.01. This account is handled much like a petty cash account. While the cash is locked in the vault, a review of disbursements would indicate that more money is carried in this account and held in the vault than is necessary for normal operations, especially considering the ease of obtaining a manual check if need be. The donations to this account are restricted, but the account is being treated as if it were a petty cash account for other than its restricted purpose. Expenditures should only be made in accordance with the RSA, but that does not appear to be the case.

Recommendation: That a petty cash limit be established for this restricted account that would be consistent with the daily needs. The funds in this account are given for a restricted purpose and there should be a policy established on the use of these funds.

Management Response: The Board concurs with the recommendation and will further establish a small petty cash account for the Nursing Home use.

Accounts Receivable Nursing Home Credit Balances:

Frequently, credit balances exist because of overpayments on the account. It appears that these balances are closely reviewed at year end and attempts are made to eliminate the credit balances. Such balances need to be reclassified as accounts payable for financial statement purposes.

Credit balances can also arise when private pay residents pay in advance for services. It is our understanding that the private pay residents are not billed in advance to avoid this problem. Advance payments would be treated as deferred revenue until the services are actually rendered.

Recommendations: Accounts receivable balances should be carefully reviewed at least quarterly for credit balances and measures should be taken to determine the reasons for the credit balance and if action needs to be taken. Reports should be submitted to the Finance Office quarterly.

We also recommend that private pay residents be billed in advance as is the normal practice in long term care facilities.

Management Response: The Board concurs and will require the quarterly reporting effective 6/30/03. Additionally, the Board we will further explore adjusting private pay billing practices to be more in line with industry practice.

Allowance on Nursing Home Accounts Receivable:

It is County policy of the Nursing Home not to write off accounts receivable where it is deemed further collection might be possible and/or where there is still a family member who can be held responsible. However, it has not been the policy to set up an allowance for uncollectible accounts whereby only those amounts deemed to be truly collectible would appear on the balance sheet.

Recommendation: That a policy be established for monitoring the allowance on accounts receivable and that this account be adjusted on a regular basis. In this way, the accounts which may not be collected will not be written off and will still remain active accounts, but recognition will be given to amounts that are actually expected to be collected. Reports should be submitted to the Finance Office at least quarterly.

Management Response: The Board concurs and will implement the recommendation effective 6/30/03.

Fixed Assets:

In prior years the only fixed assets recorded were those for the Nursing Home. During 2002 all of the fixed assets were recorded in anticipation of GASB 34. This was a large undertaking, particularly making sure that everything was recorded correctly and that depreciation was computed correctly. The staff are to be commended on the job that was done.

Now that the fixed assets are all recorded, it appears that the Finance Office is having to review each warrant for the departments to pick out items to be capitalized for those items not accounted for through the defined accounts. County wide the amount is \$5,000 with the exception being \$500 for the Nursing Home. There appears to be a lack of understanding within the departments about what constitutes a fixed asset and all the costs associated with it. Further, a policy for reporting retirements is not established.

Recommendation: All fixed assets should be on the MUNIS system. Additions should be recorded as they are purchased and retirements recorded at the appropriate time. This will save a labor-intensive effort at year end trying to do everything at once. Departments should be instructed on the proper procedure for submitting and identifying fixed assets versus expense items and what constitutes a fixed asset. Additionally, a procedure for reporting asset retirement should be developed.

Management Response: The County has worked diligently over the past years to educate the departments on budgeting and reporting for fixed assets to ensure we have an accurate accounting. Now that we have taken giant steps forward, are reporting all of our fixed assets and attained an unqualified report, we will continue efforts of to ensure the departments have the right tools to provide accurate information.

Grant Contingency Expense:

Currently the grant contingency expense account (#10200000-57200) is being used for the majority of grant activity making it easy to find grant activity. However, since no other grant tracking is in place, it is difficult to assess the current level of activity for any specific grant using this account alone. Additionally it is not easily determined when departments are reporting reimbursements verses advances and expenses paid versus those reimbursed.

Recommendation: That project codes be used for each grant within the contingency expense account. Based on discussions with Finance It is our understanding that project codes will be used in 2003. Further a grant tracking document should be developed for the departments to maintain. The tracking document should include pertinent grant information and requirements. The document should be kept updated by the departments responsible for the grants and submitted to Finance at least monthly.

Management Response: The Board concurs.

Payroll Issues:

It is County policy that all departments submit time sheets to the Finance Office for properly processing of payroll. The County Attorney and the Sheriff's departments do not submit time sheets and thus are not adhering to policy. A lack of time sheets results in an inability to properly record expenses and liabilities and does not provide assurance that employees are paid timely and accurately.

At year end, compensatory time off is accrued. The Sheriff's Department does not submit any records of compensatory time, so that department is not included in the calculations. It is estimated that the Sheriff Department compensatory time not accrued is approximately \$10,000. It is essential that ever department be processed and reported in the same way.

Additionally, there are variances in the way certain departments account for compensatory time. Particular areas of concern are accounting for compensatory time at time and a half over forty hours per week and the reporting of military leave. Questions of policy in this area should be in line with laws as established by the Department of Labor and County policy.

Recommendations: All departments should submit accurate time sheets to the Finance Office for proper processing of payroll. Procedures need to be reviewed and tightened up regarding compensatory time; how it is calculated and when employees are eligible for compensatory time. Additionally, the Finance Office needs records for all employees who have hours of compensatory time outstanding. It is imperative that all departments adhere to County policy and to Department of Labor laws.

Management Response: The Board concurs. It has always been the Board's goal to ensure that effective and efficient internal controls are in place to provide assurance that all County employees are paid fairly, timely and accurately. We have attempted to impress upon the Sheriff's department and the County Attorney's department that these controls are essential. The Board will continue with this effort.

Departmental Reporting:

Departmental revenue and expense reports are available on-line daily. At year end there is a large volume of accruals not being submitted to the Finance Department on a timely basis, some as late as April. Many of these accruals are for less than \$10.00 and there is a high cost associated with these late accruals. Frequently, the Finance Office has to review current year warrants for prior year expenses which should have been submitted by the various departments.

Recommendations: We recommend that department personnel be trained on how to use the on-line revenue and expense reports and other reports available to them on a daily basis. Near the end of the year a special educational session should be held relating to year end procedures, budgeted expenditures versus actual expended, and special procedures using the MUNIS system.

Management Response: The Finance department has provided training and annually provides detailed written instructions to the various departments and, if followed, would provide for accurate reporting. Each time the Finance office discovers these issues they communicate with the departments about timely reporting. We are hoping the operational review of County financial operations to be conducted this summer will provide new opportunities for enforcing the importance of timely reporting.


Internal Control:

Prior to the beginning of the audit each department/area was asked to complete internal control questionnaires. The Sheriff's Department would not complete the forms and replied "same as last year". This is not an acceptable response, particularly considering the materiality of the Sheriff's Department in relationship to the rest of the County.

Recommendation: It should be standard policy that all requested areas complete internal control forms, sign the questionnaires, be available for questioning, and review the forms with the Finance Office and Auditor.

Management Response: The Board concurs and hopes that publication of this issue by the independent auditor will provide the support needed to obtain the information when requested.

This report is intended solely for the information and use of the Commissioners, management and others within Rockingham County and is not intended to be and should not be used by anyone other than these specified parties. We would like to take this opportunity to extend our appreciation to the Commissioners, Finance Office, Theresa Young, Judie Milner, and other staff for their assistance and courtesies extended to us during the audit.


Concord, New Hampshire
March 12, 2003

1 Acct.#	2 APPROPRIATIONS OR EXPENDITURES	3 Appropriations Previous Fiscal Year	4 Expenditures Previous Fiscal Year	5 Proposed Budget Ensuing Year	6 Appropriations Voted for Ensuing Year
GENERAL GOVERNMENT XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX					
4110	County Convention Costs	64,435	52,118	86,766	86,766
4120	Judicial				
4122	Jury Costs				
4123	County Attorney's Office	1,846,198	1,662,007	2,006,425	1,993,925
4124	Victim Witness Advocacy Program	incl in 4124	incl in 4124	incl in 4124	incl in 4124
4130	Executive	2,033,772	1,163,410	1,988,923	1,988,923
4150	Financial Administration	452,296	438,988	589,209	589,209
4151	Treasurer	74,753	68,284	51,988	51,988
4153	Other Legal Costs	95,002	79,408	90,002	90,002
4155	Personnel Administration	262,895	260,239	274,423	271,623
4191	Planning and Zoning for Uninc.Places				
4192	Medical Examiner	78,600	63,919	64,500	64,500
4193	Register of Deeds	1,020,584	978,149	1,289,461	1,289,461
4194	Maintenance of Government Bldg.	2,633,947	2,408,331	2,623,512	2,623,512
	Non-County and IT	470,146	442,718	607,798	507,798
PUBLIC SAFETY XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX					
4211	Sheriff's Department	3,024,962	2,963,517	3,275,369	3,297,252
4212	Custody of Prisoners				
4214	Sheriff's Support Services	incl in 4211		incl in 4211	incl in 4211
4219	Other-Manchester Airport Securit	923,862	916,414	627,273	1,334,964
CORRECTIONS XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX					
4230	Corrections	5,351,160	4,985,749	6,232,449	6,262,650
4235	Adult Probation and Parole				
4300	COUNTY FARM EXPENSE				
COUNTY NURSING HOME XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX					
4411	Administration	16,168,608	15,666,055	16,256,939	16,246,193
4412	Operating Expense	incl in 4411	incl in 4411	incl in 4411	incl in 4411
4439	Other Health				
HUMAN SERVICES XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX					
4442	Direct Assistance	11,762,410	11,258,531	12,866,901	12,847,285
4443	Board and Care of Children	2,066,517	2,303,628	2,239,741	2,239,741
4446	Diversion Program	941,785	453,134	1,129,335	1,129,335
4447	Special Outside Services				
	Admin&AG Adult Diversion Grant	327,809	309,233	327,056	327,056

1	2	3	4	5	6
Acct.#	APPROPRIATIONS OR EXPENDITURES	Appropriations Previous Fiscal Year	Expenditures Previous Fiscal Year	Proposed Budget Ensuing Year	Appropriations Voted for Ensuing Year
COOPERATIVE EXTENSION xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx					
4611	Administration	423,252	411,288	452,375	452,375
4619	Other Conservation				
4650	ECONOMIC DEVELOPMENT				
DEBT SERVICE xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx					
4711	Principal Long-Term Bonds/Notes	1,710,000	1,710,000	1,785,000	1,785,000
4721	Interest Long-Term Bonds/Notes	405,910	405,000	313,965	313,965
	Other BAN interest	71,250	71,250	165,000	165,000
INTERGOVERNMENTAL TRANSF xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx					
4800	Intergovernmental Transfers				
CAPITAL OUTLAY xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx					
	Specify	301,000	301,000	520,000	520,000
	Non Routine Mntc and Other	137,500	46,018	124,765	124,765
INTERFUND OPERATING TRANSF xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx xxxxxxxxxx					
GRANT CONTINGENCY					
	Specify	1,182,475	128,589	1,460,673	1,460,673
	TOTAL APPROPRIATIONS	53,831,128	49,546,977	57,449,848	58,063,961

1	2	3	4	5
Acct.#	SOURCES OF REVENUES	Estimated Revenue Previous Fiscal Year	Actual Revenue Previous Fiscal Year	Estimated Revenue Ensuing Fiscal Year

ASSESSMENTS/TAXES

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

3110	Property Taxes Levied for Unincorporated Places			
3120	Land Use Change Taxes for Unincorporated Places			
3180	Resident Taxes for Unincorporated Places			
3185	Yield Taxes for Unincorporated Places			
3186	Payments in Lieu of Taxes for Unincorporated Places			
3189	Other Taxes			
3191	Penalties on Delinquent Municipal Assessments			

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

	Licenses, Permits, and Fees			
3319	REVENUE FROM THE FEDERAL GOVERNMENT	1,821,491	1,825,834	1,704,796

REVENUE FROM THE STATE OF NH

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

3351	Shared Revenue for Unincorporated Places			
3352	Incentive Funds	612,850	624,042	698,549
3354	Water Pollution Grants			
3355	Housing and Community Development			
3356	State & Fed. Forest Land Reim. in Unincorporated Places			
3359	Other --Grants and Flex Funds+ Seabrook	1,084,000	290,931	1,068,913
3379	INTERGOVERNMENTAL REVENUES			

REVENUES FROM CHARGES FOR SERVICES

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

3401	Sheriff's Department	1,933,174	1,909,674	2,460,626
3402	Register of Deeds	2,100,000	4,444,317	3,200,000
3403	County Corrections	152,800	203,867	152,800
3404	County Nursing Homes	11,963,987	11,075,698	12,355,149
3405	County Farm	16,000	16,843	16,000
3407	Maintenance Department			
340	Other Misc	176,997	116,912	222,198

REVENUE FROM MISCELLANEOUS SOURCE:

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

3502	Interest on Investments	285,000	254,998	285,000
3503	Rents of Property	9,348	28,490	5,520
3508	Contributions and Donations			
350	Other Misc incl escheat and recapture from Nhome	202	180,441	200
350	Other (Specify)			
350	Other (Specify)			

OTHER FINANCIAL SOURCES

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

3912	Transfer from Special Revenue Funds			
3913	Transfer from Capital Projects Funds			

1	2	3	4	5
	SOURCES OF REVENUES	Estimated Revenue Previous Fiscal Year	Actual Revenue Previous Fiscal Year	Estimated Revenue Ensuing Fiscal Year
Acct.#				

OTHER FINANCIAL SOURCES cont.

XXXXXXXXXX

XXXXXXXXXX

XXXXXXXXXX

3914	Transfer from Proprietary Funds	4,000	3,500	8,000
3915	Transfer from Capital Reserve Funds			
3916	Transfer from Trust and Agency Funds	9,800	2,961	5,000
3934	Proceeds from Long-Term Notes/Bonds			
	FUND BALANCE TO REDUCE TAX RATE	516,943	516,943	1,914,858
	TOTAL REVENUES	20,169,650	20,963,234	22,182,751
	AMOUNT TO BE RAISED BY COUNTY TAX	33,144,536	33,144,536	33,966,352



ROBBIN R. GRILL, CPA, PC

The Concord Center, 10 Ferry Street, Suite 311, Concord, NH 03301

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
County of Rockingham, New Hampshire

We have audited the accompanying general purpose financial statements of the County of Rockingham, New Hampshire as of and for the year ended December 31, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the County of Rockingham, New Hampshire at December 31, 2002 and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying individual fund financial statements listed as supporting schedules in the table of contents are presented for purposed of additional analysis and are not a required part of the combined financial statements and in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated May 23, 2003 on our consideration of Rockingham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Robbie S. Grew, CPA, PC

Concord, New Hampshire
March 12, 2003

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COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2002

	Governmental Fund Types				Proprietary Fund Types			Fund Type		General Fixed Assets	General Long-Term Debt	Totals	
	General	Special Revenue	Capital Projects	Enterprise Fund Nursing Home	Internal Service	Trust And Agency	Memorandum Umy	Memorandum Umy					
ASSETS													
ASSETS													
Cash and Equivalents	\$ 16,550,343	\$ -	\$ 1,735,710	\$ -	\$ -	\$ 395,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,681,501	
Restricted Assets, Cash	2,889,276	-	-	-	-	-	-	-	-	-	-	2,889,276	
Investments, at Fair Value	-	-	-	-	7,101,993	54,309	-	-	-	-	-	7,156,302	
Accounts Receivable	265,210	-	-	-	41,218	-	-	-	-	-	-	306,428	
Due from Other Governments	1,455,134	-	-	-	-	-	-	-	-	-	-	1,455,134	
Due from Others	-	-	-	-	-	548	-	-	-	-	-	548	
Due from Other Funds	10,037	-	803,100	-	3,994	19,877	-	-	-	-	-	837,008	
Inventory	753,882	-	-	-	-	-	-	-	-	-	-	753,882	
Prepaid Expenses	17,024	-	-	-	7,645	-	-	-	-	-	-	24,669	
Deposits	-	-	-	-	152,722	-	-	-	-	-	-	152,722	
Property, Plant and Equipment (net)	-	-	-	-	-	-	-	-	27,269,055	-	-	27,269,055	
Amount To Be Provided For Retirement of Long-Term Debt	-	-	-	-	-	-	-	-	-	6,006,267	-	6,006,267	
TOTAL ASSETS	\$ 21,940,906	\$ -	\$ 2,538,810	\$ -	\$ 7,307,572	\$ 470,181	\$ -	\$ 27,269,055	\$ 6,006,267	\$ 65,532,790			

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2002

	Governmental Fund Types				Proprietary Fund Types		Fund Type		General		Totals	
	General	Special Revenue	Capital Projects	Enterprise Fund Nursing Home	Internal Service	Trust And Agency	Fixed Assets	Long-Term Debt	Memorandum Only			
LIABILITIES AND FUND EQUITY												
Liabilities												
Accounts Payable	\$ 796,899	\$ -	\$ 635,371	\$ -	\$ 1,154,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,586,633
Accrued Expenses	1,249,590	-	-	-	-	-	-	-	-	-	-	1,249,590
Due to Other Governments	8,881,322	-	-	-	-	-	-	-	-	-	-	8,881,322
Due to Other Funds	803,100	-	-	-	9,718	24,189	-	-	-	-	-	837,008
Due to Others	-	-	-	-	-	-	-	-	-	-	-	-
Due to Specific Individuals	-	-	-	-	-	398,433	-	-	-	-	-	398,433
Deferred Revenue	162,192	-	-	-	18,731	-	-	-	-	-	-	180,922
Bond Anticipation Note Payable	-	-	4,700,000	-	-	-	-	-	-	-	-	4,700,000
Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	3,805,000
Capital Leases Obligations	-	-	-	-	-	-	-	-	-	-	-	266,522
Compensated Absences Payable	-	-	-	-	847,269	-	-	-	-	-	-	1,934,744
Total Liabilities	11,893,103	-	5,335,371	-	2,030,081	422,622	-	-	-	6,006,267	-	25,687,444
Fund Equity												
Investments in Fixed Assets	-	-	-	-	-	-	-	-	-	27,269,055	-	27,269,055
Contributed Capital	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-
Reserved by Donor Restricted Assets	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	5,277,491	-	-	-	-	-	-	5,277,491
Fund Balance												
Reserved for Encumbrances	194,382	-	-	-	-	-	-	-	-	-	-	194,382
Reserved for Inventories	753,882	-	-	-	-	-	-	-	-	-	-	753,882
Reserved for Prepaids	17,024	-	-	-	-	-	-	-	-	-	-	17,024
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-
Designated for Special Purposes	-	-	-	-	-	47,559	-	-	-	-	-	47,559
Designated for Continuing Appropriations	652,789	-	-	-	-	-	-	-	-	-	-	652,789
Undesignated (deficit)	8,429,725	-	(2,796,561)	-	-	-	-	-	-	-	-	5,633,164
Total Fund Equity	10,047,803	-	(2,796,561)	-	5,277,491	47,559	-	-	-	27,269,055	-	39,845,346
TOTAL LIABILITIES AND FUND EQUITY	\$ 21,940,906	\$ -	\$ 2,538,810	\$ -	\$ 7,307,572	\$ 470,181	\$ -	\$ 6,006,267	\$ -	\$ 27,269,055	\$ 65,532,790	

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 All Governmental Fund Types And Expendable Trust Funds
 For the Year Ended December 31, 2002

	Governmental Fund Types			Fiduciary Funds	Totals
	General	Special Revenue	Capital Projects	Expendable Trust	Memorandum Only
Revenues					
Taxes	\$ 33,966,352	\$ -	\$ -	\$ -	\$ 33,966,352
Charges for Services					-
Nursing Home	11,975,050	-	-	-	11,975,050
Deeds	6,063,716	-	-	-	6,063,716
Sheriff's Department	2,314,827	-	-	-	2,314,827
Maintenance	1,324	-	-	-	1,324
Commissioner's Office	90	-	-	-	90
County Attorney	167,169	-	-	-	167,169
Corrections Department	754,239	-	-	-	754,239
County Land Management	20,303	-	-	-	20,303
Human Services	706,279	-	-	-	706,279
Human Resources	226	-	-	-	226
Finance	-	-	-	-	-
Treasurer	-	-	-	-	-
Telecommunications	5,389	-	-	-	5,389
Interest	405,182	-	57,640	818	463,640
Other	1,165,496	-	103,002	-	1,268,498
Total Revenues	57,545,642	-	160,642	818	57,707,102
Expenditures					
Current					
Nursing Home	16,282,774	-	-	-	16,282,774
Public Assistance	14,106,000	-	-	-	14,106,000
Corrections	6,219,455	-	-	-	6,219,455
Maintenance	2,357,379	-	-	-	2,357,379
Finance Office	513,935	-	-	-	513,935
General Government	2,163,165	-	-	-	2,163,165
Commissioner's Office	133,669	-	-	-	133,669
Human Resources	272,893	-	-	-	272,893
Sheriff's Department	4,491,238	-	-	-	4,491,238
Register of Deeds	1,214,761	-	-	-	1,214,761
County Attorney	1,848,424	-	-	-	1,848,424
Medical Examiner	75,911	-	-	-	75,911
Extension Service	442,734	-	-	-	442,734
Telecommunications	234,235	-	-	-	234,235
Treasurer	55,879	-	-	-	55,879
Delegation Office	48,065	-	-	-	48,065
Non County Specials	229,542	-	-	-	229,542
Debt Service - Principal	1,785,000	-	-	-	1,785,000
Debt Service - Interest	764,376	-	-	-	764,376
Capital Outlay	88,298	-	2,653,662	-	2,741,960
Total Expenditures	53,327,731	-	2,653,662	-	55,981,393
Excess (Deficiency) of Revenues Over Expenditures	4,217,912	-	(2,493,020)	818	1,725,709
Other Financing Sources (Uses)					
Proceeds of Capital Lease	127,707	-	-	-	127,707
Operating Transfers In	7,629	-	1,632,100	-	1,639,729
Operating Transfers Out	(1,632,100)	-	-	-	(1,632,100)
Total Other Financing Sources (Uses)	(1,496,763)	-	1,632,100	-	135,337
Excess(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	2,721,148	-	(860,920)	818	1,861,046
Changes in Reserves (Inventory)	281,611	-	-	-	281,611
Fund Balances, January 1 as restated	7,045,044	-	(1,935,641)	10,198	5,119,602
Residual Equity Transfer In					-
Fund Balances, December 31	\$ 10,047,803	\$ -	\$ (2,796,561)	\$ 11,016	\$ 7,262,258

The Accompanying Notes are an Integral Part of this Financial Statement

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2002

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 33,966,352	\$ 33,966,352	\$ -
Charges for Services			
Nursing Home	13,277,149	11,975,050	(1,302,099)
Deeds	3,200,000	6,063,716	2,863,716
Sheriff's Department	2,519,422	2,314,827	(204,595)
Maintenance	-	1,324	1,324
Commissioner's Office	-	-	-
County Attorney	262,398	167,169	(95,229)
Corrections Department	809,800	754,239	(55,561)
County Land Management	21,520	20,303	(1,217)
Human Services	721,049	706,279	(14,770)
Human Resources	-	226	226
Finance	-	-	-
Treasurer	-	-	-
Telecommunications	3,000	5,389	2,389
Interest	285,000	405,182	120,182
Other	1,017,413	1,165,586	148,173
Total Revenues	56,083,103	57,545,642	1,462,539
Expenditures			
Current			
Nursing Home	16,153,503	16,282,383	(128,880)
Public Assistance	15,944,239	14,244,466	1,699,773
Corrections	6,207,549	6,191,104	16,445
Maintenance	2,599,438	2,359,552	239,887
Finance Office	583,802	573,256	10,546
General Government	2,781,051	1,821,905	959,146
Commissioner's Office	147,180	133,669	13,511
Human Resources	271,623	272,893	(1,270)
Sheriff's Department	4,616,364	4,448,174	168,190
Register of Deeds	1,289,462	1,246,652	42,810
County Attorney	1,979,925	1,840,475	139,450
Medical Examiner	78,500	75,911	2,589
Extension Service	452,375	443,109	9,266
Telecommunications	275,703	231,985	43,718
Treasurer	61,419	55,879	5,540
Delegation Office	85,971	48,065	37,906
Non County Specials	229,542	229,542	-
Debt Service - Principal	1,785,000	1,785,000	-
Debt Service - Interest	929,432	764,376	165,056
Capital Outlay	1,591,865	83,942	1,507,923
Total Expenditures	58,063,943	53,132,337	4,931,607
Excess (Deficiency) of Revenues Over Expenditures	(1,980,840)	4,413,306	6,394,146
Other Financing Sources (Uses)			
Operating Transfers In	-	7,629	7,629
Operating Transfers (Out)	-	(1,632,100)	(1,632,100)
Total Other Financing Sources (Uses)	-	(1,624,471)	(1,624,471)
Excess(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(1,980,840)	2,788,835	4,769,675
Changes in Reserves (Inventory)	281,611	281,611	-
Fund Balances, January 1 as restated	6,130,186	6,130,186	-
Residual Equity Transfer In	-	-	-
Fund Balances, December 31, Budgetary Basis	\$ 4,430,956	\$ 9,200,632	\$ 4,769,675
Reconciliation to GAAP Basis:			
Elimination of Encumbrances/Reserves			
Outstanding at End of Year		847,171	
Fund Balances - December 31, GAAP Basis		\$ 10,047,803	

The Accompanying Notes are an Integral Part of This Financial Statement

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
 Combined Statement of Revenues, Expenses
 and Changes in Retained Earnings
 All Proprietary Fund Types
 For the Year Ended December 31, 2002

	Proprietary Fund Type		
	Enterprise Fund	Internal Service Funds	Totals Memorandum Only
Operating Revenues			
Charges for Services	\$ -	\$ 5,498,923	\$ 5,498,923
Reimbursements/Refunds	-	530,603	530,603
Investment Income	-	152,592	152,592
Other	-	585	585
Total Operating Revenues	-	6,182,704	6,182,704
Operating Expenses			
Nursing Services	-	-	-
Ancillary Services	-	-	-
Dietary	-	-	-
General	-	-	-
Administrative	-	-	-
Claims and Premiums	-	5,005,721	5,005,721
Compensated Absences	-	290,856	290,856
Depreciation	-	-	-
Other	-	172,922	172,922
Total Operating Expenses	-	5,469,499	5,469,499
Operating Income(Loss)	-	713,205	713,205
Nonoperating Revenues(Expenses)			
Interest Expense	-	-	-
Gain (Loss) on Disposal of Assets	-	-	-
Total Nonoperating Revenues(Expenses)	-	-	-
Income (Loss) Before Operating Transfers	-	713,205	713,205
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total Operating Transfers	-	-	-
Net Income (Loss)	-	713,205	713,205
Retained Earnings, January 1, as restated	-	4,564,287	4,564,287
Residual Equity Transfers In	-	-	-
Residual Equity Transfers (Out)	-	-	-
Retained Earnings, December 31	\$ -	\$ 5,277,492	\$ 5,277,492

The Accompanying Notes are an Integral Part of This Financial Statement

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2002

	Enterprise Fund Nursing Home	Internal Service Funds	Totals
<u>Cash Flows From Operating Activities</u>			
Net Operating Income (Loss), Exhibit D	\$ -	\$ 713,205	\$ 713,205
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Interest on Investments	-	(152,592)	(152,592)
Gain (Loss) on Sale of Investments	-	-	-
Depreciation	-	-	-
Change in Operating Assets and Liabilities:			
(Increase) Decrease in Operating Assets:			
Accounts Receivable	-	(19,333)	(19,333)
Due From Other Governments	-	-	-
Due From Others	-	-	-
Deposits and Prepaids	-	(86,490)	(86,490)
Inventories	-	-	-
Due from Other Funds	-	104,735	104,735
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	-	64,307	64,307
Accrued Expenses	-	203,804	203,804
Due to Other Funds	-	7,292	7,292
Other Liabilities	-	-	-
Deferred Revenue	-	(42,080)	(42,080)
Total Adjustments	-	79,642	79,642
Net Cash Provided by Operating Activities	-	792,847	792,847
<u>Cash Flows from Noncapital Financing Activities</u>			
Operating Transfers In (Out)	-	-	-
Loans to Other Funds	-	-	-
Residual Equity Transfers In (Out)	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition of Property, Plant and Equipment	-	-	-
Proceeds of Bond Anticipation Note	-	-	-
Principal Paid on Long Term Debt	-	-	-
Principal Paid on Capital Leases	-	-	-
Interest Paid on Long Term Debt	-	-	-
Net cash Provided by Capital and Related Financing Activities	-	-	-
<u>Cash Flow from Investing Activities</u>			
Purchase of Investments	-	(22,556,995)	(22,556,995)
Sale of Investments	-	21,616,345	21,616,345
Interest Earnings on Investments	-	147,803	147,803
Net Cash Provided by Investing Activities	-	(792,847)	(792,847)
Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents, January 1	-	-	-
Cash and Cash Equivalents, December 31	\$ -	\$ -	\$ -
<u>Noncash Transactions:</u>			
Retirement of Fully Depreciated Assets	\$ -	\$ -	\$ -
Residual Equity Transfer	\$ -	\$ -	\$ -

The Accompanying Notes are an Integral Part of This Financial Statement

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Rockingham, New Hampshire (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except as disclosed. The governmental accounting standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the GASB's generally accepted accounting principles applicable to the County, and the County's conformity with such principles, are described below. These disclosures are an integral part of the County's financial statements.

Reporting Entity

The County of Rockingham, New Hampshire operates under the Delegation – Commissioner form of government and provides County services as authorized by state statutes. As required by GAAP, specifically *Statement #14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity"*, these financial statements are required to present the County of Rockingham, New Hampshire and its "component units" (if any). A *primary government* is defined by the GASB as any state government or general purpose local government. Additionally, a primary government may also consist of a special-purpose government (such as a school district) that meets all of the following criteria: (a) it has a *separately elected governing body*, (b) it is *legally separate*, and (c) it is *fiscally independent* of other governments.

A *component unit* is defined by the GASB as a legally separate organization for which the elected officials of the primary government are "financially accountable". The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is "fiscally dependent" on the primary government. *Fiscal independency* is defined by the GASB as the ability to complete certain essential fiscal events without substantive approval by a primary government, (a) determine its budget without another government's having the authority to approve and modify that budget, (b) levy taxes or set rates or charges without approval by another government, and (c) issue bonded debt without approval by another government. For the current year there were no potential component units identified upon which the application of these criteria were applied.

BASIS OF PRESENTATION – FUND ACCOUNTING

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The County has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Funds are classified into three broad fund categories: Governmental, Proprietary and Fiduciary Funds. Each fund category, in turn, is further divided into separate fund types as follows:

Governmental Funds

Governmental funds are used to account for most of a government's programs and activities, including the collection and disbursement of earmarked monies (*special revenue funds*), and the acquisition or construction of general fixed assets (*capital projects funds*) or the accumulation of resources for the payment of principal and interest (*debt service funds*). The general fund is used to account for the resources traditionally associated with government operations, which are not required legally to be accounted for in some other fund. The general fund is the overall operating entity of the County. The

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund, including the Sheriff's Department and Dispatch; Register of Deeds; County Attorney and Medical Examiner; Department of Corrections; Human Services; General Administration; and now the Nursing Home; provides most of the essential governmental services and functions.

Until December 31, 2001, the Rockingham County Nursing Home was accounted for as an enterprise fund when it was determined that, because the Nursing Home had not been self-supporting for years, it was best accounted for as part of the General Fund. While operating as an enterprise fund a growing significant component of its income and

funding was in the form of a subsidy from the General Fund and the remaining majority of its income are received from the State of New Hampshire based on cost reimbursement formulas determined by the State. The presentation format of the general purpose financial statements includes all governmental fund types, funds with account balances or transaction activity for the year ended December 31, 2002 are clearly identifiable.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (*enterprise funds*) or to other departments or agencies primarily within the County (*internal service funds*). As more fully described in Note 2, the remaining self-insured risk management programs are operated by the County and are accounted for through Internal Service Funds in accordance with GASB Statement #10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*".

Fiduciary funds are used to account for the assets held on behalf of outside parties, including other governments, or on behalf of other funds within a government. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not a government is under an obligation to maintain the trust principal. Agency funds are generally used to account for assets that the government holds on behalf of others. The County currently has the following individual agency funds: (1) Inmate Funds – To account for various funds held by the County for individuals incarcerated at the County Corrections Facility, (2) Commissary Account – To account for funds from operation of the Commissary at the County Corrections Facility, (3) Chapel Fund – To account for funds for the operation of the chapel at the County Corrections Facility, and (4) Trust Funds – To account for funds designated for subsequent years expenditures of the Nursing Home as appropriated.

Account Groups

The General Fixed Assets and General Long-Term Debt Account Groups are not funds. They are concerned only with the measurement of financial position and not with results of operations.

General Fixed Assets are not capitalized in the funds used to acquire or construct them. Instead, GAAP requires that capital acquisition and construction are reflected as expenditures in the governmental funds, and the related assets are to be reported in the General Fixed Assets Account Group. In accordance with the practices followed by many other municipal entities in the State, the County has not maintained a record of its general fixed assets in the past. However, the County contracted to have its assets valued in 2001 by an independent entity and, accordingly, a statement of general fixed assets is included in this report. Additionally, the assets of the Nursing Home reported as part of an enterprise fund through 12/31/01 are now reflected in the GFAAG since the Nursing Home is now reported as part of the General Fund.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the infrastructure assets owned and maintained by the County include only utility tunnels, drainage systems, water and sewer systems and dams and are included in the cost of the building and improvements the infrastructure is most identified with. Condition assessments are performed regularly and the results are used to budget annually the amount necessary to maintain and preserve the infrastructure.

Long-Term Debt is recognized as a liability of a governmental fund primarily when due. For other long-term obligations only the portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such debt and other obligations are reported in the General Long-Term Debt Account Group. It is important to note that the long term debt associated with the nursing home and previously reported within the enterprise fund are now reflected in the General Long-Term Debt Account Group.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. All governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). *Measurable* means the amount of the transaction can be determined and *available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Miscellaneous fees and revenues are recorded as revenues when received in cash. Investment earnings are recorded when earned (when they are measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except principal and interest on debt service and other long-term obligations, which are recognized when due to be paid.

Proprietary fund types and nonexpendable trust funds utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

The County may report deferred revenue on its combined balance sheet when a potential revenue does not meet both the measurable and available criteria for recognition in the current period or when resources are received by the government before it has a legal claim to them (such as grant monies). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

BUDGET

Governmental revenues and expenditures are controlled by a formal integrated budgetary system which is substantially consistent with both Generally Accepted Accounting Principles (GAAP) and applicable State finance-related laws and regulations which govern the County's operations. The County budget is formally acted upon at the County Convention. During the year, appropriations may be transferred

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

between line items, but total expenditures may not exceed the total approved budget (with the exception of emergency items, which require approval by the New Hampshire Department of Revenue Administration under RSA 32). At year-end, all unencumbered annual appropriations lapse. Other appropriations, which have a longer than annual authority may carry over at year end if the governing body intends to continue or complete the special purpose for which the funds were established. State legislation also requires balanced budgets. For the County year ended December 31, 2002, \$1,000,000 of the beginning general fund unreserved fund balance was used to reduce taxes.

RECONCILIATION OF EXHIBIT B TO EXHIBIT C

Amounts recorded as budgetary amounts in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Exhibit C) are reported on the basis budgeted by the County. General Fund budgetary expenditures were adjusted for encumbrances and capital leases (see Note 6) as follows:

Exhibit B	\$53,327,731
Encumbrances and Reserves, December 31, 2001	(914,858)
Encumbrances and Reserves, December 31, 2002	847,171
Capital Leases	(127,707)
Exhibit C	<u>\$53,132,337</u>

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and equivalent accounts include amounts in demand and savings account deposits as well as short-term investments (such as certificate of deposits) with a maturity date within three months of the date acquired by the County.

Investments, if any, are stated at fair value, in accordance with GASB Statement #31, *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools”*. The fair value of investments is determined annually and is based on current market prices. Fair value fluctuates with interest rates and increasing rates could cause fair value to decline below original cost. County Management believes that liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

Internal Service Fund investment income is comprised of the following for the year:

Interest and Dividends	\$ 147,803
Net Increase (Decrease) in the Fair Value of Investments	<u>4,789</u>
Total Investment Income	<u>\$ 152,592</u>

The net increase in fair value of investments during the year was \$4,789. This amount takes into account all changes in fair value (including purchase and sales) that occurred during the year.

ACCOUNTS RECEIVABLE

Billable services rendered during 2002 and prior and uncollected at December 31, 2002 are recorded as receivables. The allowance for estimated uncollectibles in the General Fund is \$151,790.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DUE TO AND DUE FROM OTHER FUNDS

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed. *Quasi-external transactions* are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund are recorded as expenditures/expenses in the reimbursing fund and reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

PREPAID EXPENSES

Reported prepaid expenses are equally offset by a fund balance account (reserve for prepaid) as they do not represent “available spendable resources” even though they are a component of net current assets.

INVENTORIES

Inventories of the General Fund are accounted for utilizing the purchase method. Under this method, inventories are recorded as expenditures when purchased. When inventory amounts are material (significant) at year end they are to be reported as assets of the respective fund and are to be equally offset by a fund balance reserve. Inventories in the Nursing Home were accounted for as an Enterprise Fund until 12/31/01 where, under the accrual basis of accounting, they were valued at the lower of cost (first-in, first-out basis) or market. At 12/31/02 the Nursing Home is accounted for in the General Fund and the purchase method is used for its inventories as well.

FIXED ASSETS

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not included in the general fixed asset account group. Additionally, interest costs that are deemed to be immaterial and not directly allocable to a specific asset are expensed when incurred.

Fixed assets of the Nursing Home were previously accounted for through 12/31/01 in an Enterprise Fund, a proprietary fund type, and valued at cost. Depreciation had been provided over the estimated useful lives using the straight-line method. These assets are now accounted for with all other General Fund assets in the General Fixed Asset Account Group.

The Nursing Home fixed assets are valued at cost. As of November 2001, the other County assets were valued at estimated cost and subsequent additions are recorded at actual cost. Depreciation was provided over the estimated useful lives using the straight line method. Estimated useful lives for buildings and improvements are 10 to 30 years and for movable equipment are 3 to 15 years.

The inclusion of the other County assets in the general long term account group as of December 31, 2002 results in an increase of net book value of \$15,927,726. If the other County assets had been included in the December 31, 2001 GFAAG, the increase in net book value would have been \$16,409,159.

LONG-TERM OBLIGATIONS

Long-term obligations of the County are reported in the General Long-Term Debt Account Group. Expenditures for debt service and other long-term obligations are recorded when they are due, or when they are expected to be liquidated with the expendable available financial resources of a governmental fund. Long-term debt of the Nursing Home Enterprise Fund was reported in the enterprise fund through 12/31/01. At 12/31/01 the nursing Home debt principal was \$1,550,000. These obligations are now accounted for with all other General Fund obligations in the General Long-Term Debt Account Group.

COMPENSATED ABSENCES

County employees are sometimes entitled to certain compensated absences based, in part, on their length of employment. In accordance with GASB Statement #16, “*Accounting for Compensated Absences*”, compensated absences that are expected to be liquidated with expendable available financial resources are

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

reported as an expenditure and a fund liability of the fund that will pay it. The County established has established an Internal Service Fund that has provided funding for known separations and long term absences. Since its creation the fund has increased its amount of funding available to provide for the growing liability. The fund accounts for all funded liabilities and expenditures. Any expense not funded in advance or ineligible for fund use based on County policy is accounted for through the General Fund. Any liability for which no funding is currently available is reported in the general long-term debt account group (and no fund liability or expenditure is reported for these amounts elsewhere).

Compensated absences of the Nursing Home which were not provided for in the Internal Service Fund were accounted for in an Enterprise Fund through 12/31/01 and were included in accrued expenses as a fund liability as required by generally accepted accounting principles. The Nursing Home liability at 12/31/01 was \$1,183,989. This portion of the Nursing Home liability is now accounted for as part of the General Fund and the related liability is reported in the general long-term debt account group.

The calculation of compensated absences can include vacation, sick time, earned time and holiday pay that is attributable to past service in which it is probable that the County will compensate the employee through paid time off or cash payment. The calculation also includes the incremental cost of any item associated with compensation payments such as the employer share of social security, Medicare and retirement.

FUND EQUITY

For governmental funds the unreserved fund balances represent the amount that may be available for budgeting future operations; the reserved fund balances represent the amounts that have been legally identified for specific purposes and are not appropriated for expenditure; and the designated fund balances represent tentative plans for future use of financial resources. The County has set and met a financial management goal of attaining an undesignated Fund Balance of at least 12% of budgeted appropriations. For governmental and other funds, equities can be reserved for endowments (the principal balances of nonexpendable trust funds plus any unspent income balances), reserved for encumbrances (commitments relating to unperformed contracts for goods and services), reserved for inventory (recorded at year end, if material, under the purchase method) or designated for continuing appropriation (commitments relating to unperformed non-lapsing appropriations).

ENCUMBRANCES

Encumbrance accounting is utilized in the governmental funds to account for commitments relating to unperformed contracts for goods and services. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities of the governmental fund, but are carried forward to supplement appropriations of the succeeding year. Encumbrances outstanding at year-end in the General Fund are detailed by function as follows:

County Attorney	\$ 1,818
Deeds	37,224
Sheriff	2,255
Maintenance	21,922
Gen Govm't/Grants/Projects	33,409
Finance	67,322
Jail	23,733
UNH Cooperative Ext	524
Nursing Home	<u>6,175</u>
	<u>\$ 194,382</u>

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEMORANDUM ONLY-TOTAL COLUMNS

The combined general-purpose financial statements include total columns that are described as memorandum only. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deposits and Investments

The County Treasurer is authorized by state statutes to invest excess funds, with the approval of the Commissioners, in the following:

- Obligations of the United States Government,
- Savings bank deposits of banks incorporated under the laws of the State of New Hampshire,
- Certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within the States of New Hampshire or Massachusetts, or,
- “participation units” of the *New Hampshire Public Deposit Investment Pool* established under RSA 383:22.

The receiver of such public funds to be deposited or to be invested in securities shall “prior to acceptance of such funds” provide a collateralization option (represented by exclusively segregated securities defined by the Bank Commissioner as qualifying under RSA 386:57) for such funds in an amount at least equal to the amount to be deposited or invested in securities.

The County was in compliance with these applicable deposit and investment state laws and regulations for the year.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The County purchases commercial insurance coverage for all general insurance risks, property liability risks and for the protection of assets. The County has established risk management fund types in accordance with GASB Statement #10, “*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*”, to account for and finance its uninsured risks of loss for health, dental, unemployment and workers compensation. Settled claims, if any, have not exceeded the County’s coverage in any of the past three years.

Claims, Judgments and Contingent Liabilities

Grants – Amounts received are subject to later year’s review and adjustment by grantor agencies, principally the federal and state governments. At such time, any disallowed claims, including amounts already collected, may constitute a liability of the County and the applicable funds. At December 31, 2002 the County believes that disallowed expenditures, if any, based on subsequent review will not have a material effect on any individual funds or the overall financial position of the County.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 3—CASH AND INVESTMENTS

Deposits

At year end, the carrying amounts and bank balances with financial institutions of the County's cash deposits are categorized by credit risk as follows:

Category 1 – Deposits that are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the County (or its agent) in the County's name.

Category 2 – Deposits that are uninsured and collateralized by securities that are held by the pledging institution's trust department (or agent) in the County's name.

Category 3 – Deposits that are uninsured and uncollateralized or collateralized by securities that are held by the pledging institution's trust department (or agent) but not in the County's name.

	Category			Bank	
	1	2	3	Carrying Amount	Book Balance
General Fund	\$20,010,536		\$ -	\$20,010,536	\$19,232,084
Special Revenue Fund		-	-		
Capital Projects Fund	1,743,528		-	1,743,528	1,735,710
Proprietary Funds			-		
Trust and Agency Funds	<u>441,995</u>		<u>-</u>	<u>441,995</u>	<u>390,753</u>
	<u>\$22,196,059</u>		<u>\$ -</u>	<u>\$22,196,059</u>	<u>\$21,358,547</u>

Investments

Category 1 – Investments that are insured or registered, or securities held by the County (or its agent) in the County's name.

Category 2 – Investments that are uninsured and unregistered, with U.S. government securities that are held by the counterpart's trust department (or agent) in the County's name.

Category 3 – Investments that are uninsured and unregistered, with securities that are held by the counterpart, or by its trust department (or agent) but not in the County's name.

	Category			Carrying	Book
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Balance</u>
Proprietary Funds	\$-	\$7,101,993	\$-	\$7,101,993	\$7,101,993
Trust and Agency		<u>54,309</u>		<u>54,309</u>	<u>54,309</u>
		7,156,302		7,156,302	7,156,302

NOTE 4—PROPERTY AND EQUIPMENT—PROPRIETARY FUNDS AND GENERAL FUND

Fixed assets of the Nursing Home were previously accounted for through 12/31/01 in an Enterprise Fund, a proprietary fund type, and valued at cost. Depreciation had been provided over the estimated useful lives using the straight-line method. These assets are now accounted for with all other General Fund

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 4—PROPERTY AND EQUIPMENT—PROPRIETARY FUNDS AND GENERAL FUND
(CONT'D)

assets in the General Fixed Asset Account Group. The following is a summary of the balance in the Nursing Home Proprietary Fund property and equipment for the year as of 12/31/01:

	Balance at 12/31/01
Land	\$578,857
Building and improvements	17,311,363
Moveable equipment	<u>2,716,816</u>
Subtotal	20,607,036
Less: Accumulated Depreciation	<u>(8,694,568)</u>
Total	<u>\$ 11,912,468</u>

As of November 2001, the other County assets were valued at estimated cost and subsequent additions are recorded at actual cost. The following is a summary of changes:

	Balance at 1/1/02	Additions	Reductions	Balance at 12/31/02
Land	\$ 578,857			\$ 578,857
Building and improvements	38,641,355	403,301	(7,729)	39,036,927
Moveable equipment	9,989,734	380,848	(93,329)	10,277,253
Subtotal	49,209,946	784,149	(101,058)	49,893,037
Less: Accumulated Depreciation	(20,986,195)	(1,735,664)	97,876	(22,623,983)
Total	28,223,751	(951,515)	(3,182)	27,269,054

NOTE 5—PENSION PLAN

Pension Description

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety and general employees are required to contribute 9.3% or 5.0% of their covered salary, respectively, and the County is required to contribute at an actuarially determined rate. The County's contribution rates were 5.33% and 4.14% of covered payroll for police officers and general employees, respectively, through December 31, 2002. The County contributes 65% of the employer cost for police employed by the County and the State contributes the remaining 35% of the employer cost. The County contributes 100% of the employer cost for general employees of the County. On-behalf fringe benefits (GASB #24) contributed by the State of New Hampshire have not been recognized as amounts are not material to the financial statements.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 5—PENSIONS (CONTINUED)

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contributions to the NHRS for the years ending December 31, 2002, 2001 and 2000 were \$752,705, \$703,923, and \$670,730, respectively, equal to the required contributions for each year.

NOTE 6—LONG-TERM DEBT

Changes in Long-Term Debt

Long-term debt of the Nursing Home was previously accounted for through 12/31/01 in an Enterprise Fund, a proprietary fund type. This debt is now accounted for with all other General Fund debt in the General Long term debt account group. The following is a summary of debt transactions for the year:

	Payable <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Payable <u>December 31</u>
General Obligation Debt:				
General Fund	\$5,590,000	\$ -	(1,785,000)	3,805,000
Capital Lease Obligations	<u>259,055</u>	<u>142,772</u>	<u>(135,305)</u>	<u>266,522</u>
	<u>\$5,849,055</u>	<u>\$55,966</u>	<u>(\$1,920,305)</u>	<u>4,071,522</u>

General Obligation Debt

The County can issue general obligation debt instruments to provide funds for the acquisition and construction of major capital equipment, infrastructure and other facilities. General obligation debt instruments are direct government obligations and consequently are a pledge of the full faith and credit of the County. General obligation debt instruments currently outstanding and reported in the general long-term debt account group are as follows:

<u>Long-Term Debt Account Group</u>	<u>Interest</u>	<u>Balance</u>
1992 - \$13,200,000 Public Improvement Bond, maturing in 2004	5.2% - 6.0%	\$2,780,000
1994 - \$6,600,000 Mitchell Project Bond, maturing in 2004	4.45% - 4.90%	<u>1,025,000</u>
Total General Obligation Long-Term Debt		<u>\$3,805,000</u>

Annual debt service requirements to maturity for general obligation debt, including interest are as follows:

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 6—LONG-TERM DEBT (CONT'D)

Debt Service

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	1,865,000	215,685	2,080,685
2004	<u>1,940,000</u>	<u>110,900</u>	<u>2,050,900</u>
Totals	<u>\$3,805,000</u>	<u>\$326,585</u>	<u>\$4,131,585</u>

Capital Lease Obligations:

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. Following are the capital leases balances at year end:

Equipment, due in annual installments of \$8,662 including interest, through April, 2003 at 5.45%	\$ 8,214
Equipment, due in monthly installments of \$2,874 including interest, through May, 2004 at 6.52%	74,021
Equipment, due in annual installments of \$11,837 including interest, through May, 2003 at 5.15%	11,257
Equipment, due in annual installments of \$9,403 including interest, through April, 2003 at 5.45%	8,917
Equipment, due in annual installments of \$22,439 including interest, through June, 2003 at 5.15%	21,340
Equipment, due in monthly installments of \$1,850 including interest, through September, 2005 at 11%	51,094
Equipment, due in annual installments of \$8,259 including interest, through September, 2004 at 6.55%	15,027
Equipment, due in monthly installments of \$252 including interest, through May, 2005 at 9.16%	6,566
Equipment, due in monthly installments of \$701 including interest, through April, 2005 at 6.84%	18,099
Equipment, due in annual installments of \$14,790 including interest, through June, 2004 at 5.90%	27,155
Equipment, due in monthly installments of \$532 including interest, through April, 2005 at 31%	13,059
Equipment, due in monthly installments of \$118 through May, 2004 at 0%	2,006

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 6—LONG-TERM DEBT (CONT'D)

Equipment, due in monthly installments of \$227 including interest, through June, 2007 at 28%

9,767
\$266,522

Annual debt service requirements to maturity for capital leases, including interest are as follows

<u>Year Ended December 31</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2003	135,633	18,138	153,771
2004	103,055	8,393	111,448
2005	24,066	1,498	25,564
2006-2007	<u>3,768</u>	<u>315</u>	<u>4,083</u>
Totals	<u>266,522</u>	<u>28,344</u>	<u>294,866</u>

NOTE 7—OPERATING LEASES

Office Space

The County leases office space from the State of New Hampshire at the Rockingham County Court House for the Registry of Deeds and County Attorney. This lease expires on June 30, 2005. The terms of the lease require annual payments of \$152,006, payable in monthly installments, with adjustments based on percentage adjustments in the Consumer Price Index. Rental expense for the year ended December 31, 2002 was \$152,006. During 2002 the County held rental payments pending resolution of an air quality issue. All monthly payments are reflected as due to the State of New Hampshire at 12/31/02.

The County leases office space from the State of New Hampshire Bureau of Court Facilities for the County Attorney's Jury Trial Program in the Portsmouth District Court. This lease expires June 30, 2007. The terms of this lease require annual payments of \$850. Rental expense for the year ended December 31, 2002 was \$850.

The County leases office space from Hampstead Hospital for the Human Service Mediation Program. This lease expires December 31, 2003. The terms of this lease require annual payments of \$7,200, payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$7,200.

Equipment

The County leases computer equipment from Advanta Leasing for the Finance Office. The lease expires in April 2003. The terms of this lease require annual payments of \$2,636, payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$2,636.

The County leases computer equipment from Columbia Co. Farmers National Bank through the IT department. The lease expires in December 2003. The terms of the lease require annual payments of \$10,265, payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$10,265.

The County leases a copier from Minolta Business Systems for the Department of Corrections. The lease expires in April 2004. The terms of the lease require annual payments of \$1,320, payable in monthly installments plus a per copy charge of .0085. Rental expense for the year ended December 31, 2002 was \$1,320.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 7—OPERATING LEASES (CONT'D)

The County leases computer equipment from Dell Marketing, LP. for the Finance Office. The lease expires in July 2004. The terms of the lease require annual payments of \$2,030, payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$2,030.

The County leases computer equipment from Citizens National Bank through the IT Department. The lease expires August 2004. The terms of the lease require annual payments of \$10,551, payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$10,551.

The County leases a copier from Minolta Business Systems for the Sheriff's Office. The lease expires June 2003. The terms of the lease require annual payments of \$3,173 payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$3,173.

The County leases 2 copiers from GE Capital for the Finance and Commissioners Offices. The lease expires December 2005. the terms of the lease require annual payments of \$4,751, payable in monthly installments. Rental expense for the year ended December 31, 2002 was \$0.

Future minimum rental payments are as follows:

Year	Office Space	Equipment Rental	Total
2003	160,056	31,382	191,438
2004	152,856	13,409	166,265
2005	78,128	4,751	82,879

NOTE 8—DUE TO AND DUE FROM OTHER FUNDS

Individual interfund balances at year end are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	10,037	803,100
Capital Projects Funds	803,100	
Internal Service Funds:	3,994	9,719
Fiduciary Funds	<u>19,877</u>	<u>24,189</u>
Totals	<u>837,008</u>	<u>837,008</u>

NOTE 9—BOND ANTICIPATION NOTES PAYABLE

On May 31, 2000 and July 20, 2001 the County Convention approved \$3,700,000 and \$1,000,000 respectively to be bonded for Public Improvement purposes pursuant to RSA 28, the Municipal Finance Act. On August 17, 2001 the County issued Bond Anticipation Notes (BANs) in the amount of \$4,700,000, payable at 4.19% interest on August 17, 2002. On October 4, 2001 the County prepaid the BAN due August 17, 2002 and issued BANs in the amount of \$4,700,000, payable at 2.7% interest on October 4, 2002. On October 4, 2002 the County paid the BAN due and issued BAN's in the amount of \$4,700,000, payable on June 6, 2003. The BANs outstanding at year-end were recorded as a fund liability in the Capital Projects Fund .

NOTE 10—CONTRIBUTED CAPITAL – PROPRIETARY FUNDS

No contributed capital account is reported for the Nursing Home Enterprise Fund during the year ended 12/31/02. The Nursing Home was previously accounted for through 12/31/01 in an Enterprise Fund, a proprietary fund type but is now accounted for with all other General Fund operations of the County.

COUNTY OF ROCKINGHAM, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 11—DESIGNATED FUND BALANCE

General Fund

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. Following are continuing appropriations at December 31, 2002:

Human Services	\$634,622
Deeds	18,167
Total	<u>\$652,789</u>

Non-Expendable Trust Funds

Non-Expendable Trust Funds balances designated for subsequent years' expenditures are as follows:

Non-Expendable Trust for the Nursing Home	<u>\$ 47,559</u>
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Capital Projects

Any Capital Projects fund balance would be designated for specific capital project expenditures in future years by the Capital Projects fund.

NOTE 12—CONTINGENCY

There are some outstanding lawsuits pending against the County. The County follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. It is County management's opinion that the County is not liable in these suits and the County intends to contest the cases.

Additionally, while the lawsuit filed by the Rockingham County Sheriff against the County Commissioners in 2002 does not currently result in any liability, and includes no request for monetary relief, a result in favor of the Sheriff may, depending on the relief fashioned by the court, may have serious implications with regards to internal financial controls that may have a material affect on future Rockingham County Financial Statements. The County intends to contest the case, which is currently scheduled for trial in June 2003.

NOTE 13—PRIOR PERIOD ADJUSTMENTS

The following Fund Balances and Retained Earnings have been restated at January 1, 2002. A residual equity was completed when the Nursing Home activities previously reported as an Enterprise Fund began being accounted for in the General Fund. In addition, an actuarial review of one of the internal services funds enabled a decrease in the amount of outstanding liabilities at 12/31/01. the adjustments are as follows:

	General Fund Fund Balance	Capital Fund Fund Balance	Internal Service Retained Earnings
As Previously Reported	\$8,844,805	\$ (275,595)	\$2,489,139
Adjustments in Accruals and Reserves	610,541	57,489	186,047
Residual Equity transfer of Enterprise Fund	<u>(3,903,2078)</u>	<u>(1,717,535)</u>	<u>0</u>
Restated Amount	5,552,139	(1,935,641)	2,675,186

NOTE 14—SUBSEQUENT EVENTS

On April 17, 2003 the County issued bonds in the amount of \$4,685,000 at an interest rate of 2.51% for a 7 year period. The proceeds will be used to pay off the BAN of \$4,700,000 due on June 6, 2003. Additionally, the County refunded its General Obligation Bond originally issued in 1994, whose current principal balance is \$2,780,000, due to mature in 2004, for the purpose of lowering the interest rate to 1.25%.

